ORIGINAL-
-Application
Parkridge
Medical center
CN1408-035

CERTIFICATE OF NEED APPLICATION

FOR

PARKRIDGE MEDICAL CENTER

Acquisition of 3.0 Tesla MRI

Hamilton County, Tennessee

August 15, 2014

Contact Person:

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401 Commerce Street, Suite 800
Nashville, Tennessee 37219
615-782-2228

SECTION A:

APPLICANT PROFILE

1. ***Name of Facility, Agency, or Institution***

Parkridge Medical Center **Name**		
2333 McCallie Avenue **Street or Route**		Hamilton **County**
Chattanooga **City**	Tennessee **State**	37404 **Zip Code**

2. ***Contact Person Available for Responses to Questions***

Jerry W. Taylor **Name**		Attorney **Title**
Stites & Harbison, PLLC **Company Name**		jerry.taylor@stites.com **Email address**
401 Commerce Street, Suite 800 **Street or Route**	Nashville TN **City** **State**	37219 **Zip Code**
Attorney **Association with Owner**	615-782-2228 **Phone Number**	615-742-0302 **Fax Number**

3. ***Owner of the Facility, Agency or Institution***

Parkridge Medical Center, Inc. **Name**		423-698-6061 **Phone Number**
2333 McCallie Avenue **Street or Route**		Hamilton **County**
Chattanooga **City**	Tennessee **State**	37404 **Zip Code**

4. ***Type of Ownership of Control (Check One)***

A.	Sole Proprietorship	F.	Government (State of TN or
B.	Partnership	G.	Political Subdivision)
C.	Limited Partnership	H.	Joint Venture
D.	Corporation (For Profit) X	I.	Limited Liability Company
E.	Corporation (Not-for-Profit)		Other (Specify)_____

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

Organizational documentation and an ownership organization chart are attached as Attachment A, 4.

5. ***Name of Management/Operating Entity (If Applicable)***

N/A

Name

Street or Route **County**

City **State** **Zip Code**

PUT ALL ATTACHMENTS AT THE END OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

6. ***Legal Interest in the Site of the Institution (Check One)***

A. Ownership X
B. Option to Purchase
C. Lease of _____ Years
D. Option to Lease
E. Other (Specify) _____

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

A copy of the Deed is attached as Attachment A, 6.

7. ***Type of Institution (Check as appropriate--more than one response may apply)***

A. Hospital (Specify)General Acute X
B. Ambulatory Surgical Treatment Center (ASTC), Multi-Specialty ASTC, Single Specialty
C. Home Health Agency
D. Hospice
E. Mental Health Hospital
F. Mental Health Residential
G. Treatment Facility Mental Retardation Institutional
H. Habilitation Facility (ICF/MR)
I. Nursing Home
J. Outpatient Diagnostic Center
K. Recuperation Center
L. Rehabilitation Facility
M. Residential Hospice
N. Non-Residential Methadone Facility
O. Birthing Center
P. Other Outpatient Facility (Specify)_____
Q. Other (Specify) _____

8. Purpose of Review *(Check) as appropriate--more than one response may apply)*

A.	New Institution	G.	Change in Bed Complement [*Please note the type of change by underlining the appropriate response: Increase, Decrease, Designation, Distribution, Conversion, Relocation]*
B.	Replacement/Existing Facility		
C.	Modification/Existing Facility		
D.	Initiation of Health Care Service as defined in TCA § 68-11-1607(4) (Specify)_____	H.	Change of Location
		I.	Other (Specify)_____
E.	Discontinuance of OB Services		_____
F.	Acquisition of Equipment (Specify) 3.0 Tesla MRI Unit	X	

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

9. **Bed Complement Data**

Please indicate current and proposed distribution and certification of facility beds.

		Current Beds Licensed	*CON*	*Staffed Beds*	*Beds Proposed*	*TOTAL Beds at Completion*
A.	Medical	239		130		239
B.	Surgical (included in medical)					
C.	Long-Term Care Hospital					
D.	Obstetrical					
E.	ICU/CCU	24		24		24
F.	Neonatal					
G.	Pediatric					
H.	Adult Psychiatric					
I.	Geriatric Psychiatric					
J.	Child/Adolescent Psychiatric					
K.	Rehabilitation	12		12		12
L.	Nursing Facility (non-Medicaid Certified)					
M.	Nursing Facility Level 1 (Medicaid only)					
N.	Nursing Facility Level 2 (Medicare only)					
O.	Nursing Facility Level 2 (dually certified Medicaid/Medicare)					
P.	ICF/MR					
Q.	Adult Chemical Dependency					
R.	Child and Adolescent Chemical Dependency					
S.	Swing Beds					
T.	Mental Health Residential Treatment					
U.	Residential Hospice					
	TOTAL	**275**		**166**		**275**

10. **Medicare Provider Number:** 440156
Certification Type: Hospital

11. **Medicaid Provider Number:** 0440156
Certification Type: Hospital

12. **If this is a new facility, will certification be sought for Medicare and/or Medicaid?**

Parkridge Medical Center is certified for both Medicare and Medicaid/TennCare.

13. **Identify all TennCare Managed Care Organizations/Behavioral Health Organizations (MCOs/BHOs) operating in the proposed service area.**

BlueCare

UnitedHealthcare Community Plan

TennCare Select

Will this project involve the treatment of TennCare participants?

Yes.

If the response to this item is yes, please identify all MCOs/BHOs with which the applicant has contracted or plans to contract.

Parkridge Medical Center is in network with all MCOs in the region.

Discuss any out-of-network relationships in place with MCOs/BHOs in the area.

N/A.

NOTE: ***Section B*** **is intended to give the applicant an opportunity to describe the project and to discuss the need that the applicant sees for the project.** ***Section C*** **addresses how the project relates to the Certificate of Need criteria of Need, Economic Feasibility, and the Contribution to the Orderly Development of Health Care. Discussions on how the application relates to the criteria should not take place in this section unless otherwise specified.**

SECTION B: PROJECT DESCRIPTION

Please answer all questions on 8 1/2" x 11" white paper, clearly typed and spaced, identified correctly and in the correct sequence. In answering, please type the question and the response. All exhibits and tables must be attached to the end of the application in correct sequence identifying the questions(s) to which they refer. If a particular question does not apply to your project, indicate "Not Applicable (NA)" after that question.

I. Provide a brief executive summary of the project not to exceed two pages. Topics to be included in the executive summary are a brief description of proposed services and equipment, ownership structure, service area, need, existing resources, project cost, funding, financial feasibility and staffing.

Project Description

Parkridge Medical Center seeks authorization for the acquisition of a 3.0 Tesla MRI unit. Parkridge currently operates one 1.5 Tesla MRI. If this is approved, Parkridge would operate 2 MRI units. The current older model unit would be used primarily for inpatient cases, and those not requiring higher resolution imaging. The space which will house the new unit will require relatively minor renovation of approximately 1202 square feet of space that is currently not being used for patient care.

Services & Equipment

The MRI unit for which authorization is sought is a G.E. Optima MR750W 3.0 T. No new services are being initiated or affected.

Ownership Structure

Parkridge Medical Center ("Parkridge") is owned by Parkridge Medical Center, Inc. Parkridge is a HCA-affiliated hospital and part of Tri Star Health System. An ownership and organization chart is included as part of Attachment A, 4.

Service Area

The proposed service area consists of the following counties: Bradley, Hamilton, Marion, Meigs, Rhea, Sequatchie, in Tennessee, and Walker and Catoosa counties in Georgia.

Need

Parkridge already provides inpatient and outpatient MRI services through use of an older model 1.5 Tesla unit. The higher field 3.0 Tesla magnet is needed in order to perform certain scans, particularly spine and neuro cases, which require higher resolution images. An employed physician group, Spine Surgery Associates ("SSA"), is currently forced to send many of their MRI scans outside the Parkridge system in order to access the technology needed for their

patients. The applicant estimates that 1,403 such scans were referred to outside providers in a recent 12 month period.

The proposed new unit will allow the patients of SSA, and others requiring higher resolution imaging, to have their MRI scans conducted at Parkridge, which is better and more convenient for both the patients and the physicians. Parkridge will also continue to operate the 1.5 Tesla unit, which will be utilized for more routine cases not requiring the higher resolution images, and almost exclusively for inpatient cases.

Existing Resources

Because Parkridge is not initiating a new service, facility, or site, and since there are no utilization thresholds for the acquisition of medical equipment, the utilization of area providers should not be relevant.

For informational purposes, a table reflecting overall MRI utilization in the Tennessee counties of the service area is attached as Attachment C, I, Need, 5. It is difficult to accurately discern trends in overall MRI utilization in the service area, due to a lack of reported data for non-hospital MRI providers for 2013.

Project Cost & Funding

The equipment costs are reasonable and were negotiated and agreed upon in an arms-length transaction among experienced health care business people.

Total renovation costs are $521,097 (including A & E fees of $27,830). For the 1,202 square feet being renovated, the cost is $433.53 per square foot. While this is above the 3rd Quartile of approved hospital renovation cost ($274.63), this is primarily due to two factors: (1) the small scope of the project results in disproportionally higher fixed costs not off-set by savings on incremental costs, and (2) the relatively high technical requirements for proper installation of the equipment and technology.

The project will be funded from cash reserves through an allocation from the appropriate HCA entity.

Financial Feasibility

The project is economically feasible. As reflected on the Projected Data Chart, this project is has a strong positive NOI in Year 1 and thereafter.

Staffing

Current staffing for MRI services consists of 2 FTE and 1 PRN MRI technologists. Parkridge does not anticipate needing additional staffing for the proposed MRI. If future volumes require additional staffing, it will be added at that time.

II. Provide a detailed narrative of the project by addressing the following items as they relate to the proposal.

A. Describe the construction, modification and/or renovation of the facility (exclusive of major medical equipment covered by T.C.A. § 68-11-1601 et seq.) including square footage, major operational areas, room configuration, etc. Applicants with hospital projects (construction cost in excess of $5 million) and other facility projects

(construction cost in excess of $2 million) should complete the Square Footage and Cost per Square Footage Chart. Utilizing the attached Chart, applicants with hospital projects should complete Parts A.-E. by identifying as applicable nursing units, ancillary areas, and support areas affected by this project. Provide the location of the unit/service within the existing facility along with current square footage, where, if any, the unit/service will relocate temporarily during construction and renovation, and then the location of the unit/service with proposed square footage. The total cost per square foot should provide a breakout between new construction and renovation cost per square foot. Other facility projects need only complete Parts B.-E. Please also discuss and justify the cost per square foot for this project.

If the project involves none of the above, describe the development of the proposal.

Parkridge seeks authorization for the acquisition of a 3.0 Tesla MRI unit. Parkridge currently operates one 1.5 Tesla MRI. The space which will house the new unit will require relatively minor renovation of approximately 1202 square feet of space that is currently not being used for patient care. Since the cost of renovation does not exceed the $5 million threshold, and is very limited in scope, the Square Footage and Cost per Square Footage Chart is not applicable.

B. **Identify the number and type of beds increased, decreased, converted, relocated, designated, and/or redistributed by this application. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the existing services.**

N/A.

SQUARE FOOTAGE AND COST PER SQUARE FOOTAGE CHART (N/A)

A. Unit / Department	Existing Location	Existing SF	Temporary Location	Proposed Final Location	Proposed Final Square Footage			Proposed Final Cost/ SF		
					Renovated	New	Total	Renovated	New	Total
B. Unit/Depart. GSF Sub-Total										
C. Mechanical/ Electrical GSF										
D. Circulation /Structure GSF										
E. Total GSF										

C. **As the applicant, describe your need to provide the following health care services (if applicable to this application):**

Parkridge already provides inpatient and outpatient MRI services through use of an older model 1.5 Tesla unit. The higher field 3.0 Tesla magnet is needed in order to perform certain scans, particularly spine and neuro cases, which require higher resolution images. An employed physician group, Spine Surgery Associates ("SSA"), is currently forced to send many of their MRI scans outside the Parkridge system in order to access the technology needed for their patients. The applicant estimates that 1,403 such scans were referred to outside providers in a recent 12 month period.

The proposed new unit will allow the patients of SSA, and others requiring higher resolution imaging, to have their MRI scans conducted at Parkridge, which is better and more convenient for both the patients and the physicians. Parkridge will also continue to operate the 1.5 Tesla unit, which will be utilized for more routine cases not requiring the higher resolution images, and almost exclusively for inpatient cases.

1. **Adult Psychiatric Services**
2. **Alcohol and Drug Treatment for Adolescents (exceeding 28 days)**
3. **Birthing Center**
4. **Burn Units**
5. **Cardiac Catheterization Services**
6. **Child and Adolescent Psychiatric Services**
7. **Extracorporeal Lithotripsy**
8. **Home Health Services**
9. **Hospice Services**
10. **Residential Hospice**
11. **ICF/MR Services**
12. **Long-term Care Services**
13. **Magnetic Resonance Imaging (MRI)**
14. **Mental Health Residential Treatment**
15. **Neonatal Intensive Care Unit**
16. **Non-Residential Methadone Treatment Centers**
17. **Open Heart Surgery**
18. **Positron Emission Tomography**
19. **Radiation Therapy/Linear Accelerator**
20. **Rehabilitation Services**
21. **Swing Beds**

D. **Describe the need to change location or replace an existing facility.**

N/A.

E. **Describe the acquisition of any item of major medical equipment (as defined by the Agency Rules and the Statute) which exceeds a cost of $1.5 million; and/or is a magnetic resonance imaging (MRI) scanner, positron emission tomography (PET) scanner, extracorporeal lithotripter and/or linear accelerator by responding to the following:**

1. **For fixed-site major medical equipment (not replacing existing equipment):**

a. **Describe the new equipment, including:**

1. **Total cost ;(As defined by Agency Rule).**

   $2,391,180.00

2. **Expected useful life;**

   5 years.

3. **List of clinical applications to be provided; and**

   Please see the list attached as Attachment B, II, E, (1).

4. **Documentation of FDA approval.**

   A copy of the FDA approval letter is attached as Attachment B, II, E (2).

b. **Provide current and proposed schedules of operations.**

   Monday-Friday: 7AM-6PM (ED call until 11 PM)

   Weekend: On call 7 AM-5 PM for IP and ED

2. **For mobile major medical equipment:**

   N/A.

   a. **List all sites that will be served;**

   b. **Provide current and/or proposed schedule of operations;**

   c. **Provide the lease or contract cost.**

   d. **Provide the fair market value of the equipment; and**

   e. **List the owner for the equipment.**

3. **Indicate applicant's legal interest in equipment (*i.e.*, purchase, lease, etc.) In the case of equipment purchase include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.**

   A copy of the quote from GE Healthcare is attached as Attachment B, II, E, (3).

III. (A) **Attach a copy of the plot plan of the site on an 8 1/2" x 11" sheet of white paper which must include:**

1. **Size of site (*in acres*);**
2. **Location of structure on the site; and**
3. **Location of the proposed construction.**
4. **Names of streets, roads or highway that cross or border the site.**

Please note that the drawings do not need to be drawn to scale. Plot plans are required for all projects.

A plot plan is attached as Attachment B, III, (A).

(B) **Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.**

Parkridge Medical Center is located on McCallie Avenue in central Chattanooga, on the Eastgate/Hamilton Place CARTA bus route. Parkridge Medical Center also has excellent access to I-24, which is within a mile of its campus.

IV. **Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. on an 8 1/2" x 11" sheet of white paper.**

NOTE: *DO NOT SUBMIT BLUEPRINTS*. Simple line drawings should be submitted and need not be drawn to scale.

A floor plan is attached as Attachment B, IV.

V. **For a Home Health Agency or Hospice, identify:**

N/A.

1. **Existing service area by County;**
2. **Proposed service area by County;**
3. **A parent or primary service provider;**
4. **Existing branches; and**
5. **Proposed branches.**

SECTION C: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with Tennessee Code Annotated § 68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, and will contribute to the orderly development of health care." The three (3) criteria are further defined in Agency Rule 0720-4-.01. Further standards for guidance are provided in the state health plan (Guidelines for Growth), developed pursuant to Tennessee Code Annotated §68-11-1625.

The following questions are listed according to the three (3) criteria: (I) Need, (II) Economic Feasibility, and (III) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. *Please type each question and its response on an 8 1/2" x 11" white paper*. All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer. If a question does not apply to your project, indicate "Not Applicable (NA)."

QUESTIONS

I. NEED

1. **Describe the relationship of this proposal toward the implementation of the State Health Plan and Tennessee's Health: Guidelines for Growth.**

   a. **Please provide a response to each criterion and standard in Certificate of Need Categories that are applicable to the proposed project. Do not provide responses to General Criteria and Standards (pages 6-9) here.**

   N/A. Parkridge Medical Center currently provides MRI services, and therefore is not initiating MRI services. There are no criteria and standards in the State Health Plan for the acquisition of major medical equipment.

   The State Health Plan includes the following aspirational goals for health care delivery in Tennessee:

   Five Principles for Achieving Better Health from the Tennessee State Health Plan:

   1. Healthy Lives

   The purpose of the State Health Plan is to improve the health of Tennesseans.

Every person's health is the result of the interaction of individual behaviors, society, the environment, economic factors, and our genetic endowment. The State Health Plan serves to facilitate the collaboration of organizations and their ideas to help address health at these many levels.

This is a policy statement to which no response is necessary.

2. Access to Care

Every citizen should have reasonable access to health care. Many elements impact one's access to health care, including existing health status, employment, income, geography, and culture. The State Health Plan can provide standards for reasonable access, offer policy direction to improve access, and serve a coordinating role to expand health care access.

Parkridge Medical Center is accessible to all patients regardless of socio-economic status, ethnicity or payor source. Parkridge Medical Center participates in Medicare and TennCare.

3. Economic Efficiencies

The state's health care resources should be developed to address the needs of Tennesseans while encouraging competitive markets, economic efficiencies and the continued development of the state's health care system. The State Health Plan should work to identify opportunities to improve the efficiency of the state's health care system and to encourage innovation and competition.

The current 1.5 Tesla MRI at Parkridge is well utilized, and the hospital is acquiring this additional MRI unit to meet existing and future demand, and to remain competitive in a robust hospital marketplace in the Chattanooga area.

4. Quality of Care

Every citizen should have confidence that the quality of health care is continually monitored and standards are adhered to by health care providers. Health care providers are held to certain professional standards by the state's licensure system. Many health care stakeholders are working to improve their quality of care through adoption of best practices and data-driven evaluation.

Parkridge Medical Center will continue to provide the highest quality of care to its patients. It is good standing with the Tennessee Board for Licensing Health Care Facilities, and is accredited by and in good standing with the Joint Commission.

5. Health Care Workforce

The state should support the development, recruitment, and retention of a sufficient and quality health care workforce. The state should consider developing a comprehensive approach to ensure the existence of a sufficient, qualified health care workforce, taking into account issues regarding the number of providers at all levels and in all specialty and focus areas, the number of professionals in teaching positions, the capacity of medical, nursing, allied health and other educational institutions, state and federal laws and regulations impacting capacity programs, and funding.

Parkridge Medical Center is an major employer in the Chattanooga area. Staffing at the hospital meets all applicable standards and regulations. Parkridge does not anticipate needing additional staffing for the proposed MRI. If future volumes require additional staffing, it will be added at that time.

[End of responses to Five Principles for Achieving Better Health]

b. Applications that include a Change of Site for a health care institution, provide a response to General Criterion and Standards (4)(a-c)

N/A.

2. **Describe the relationship of this project to the applicant facility's long-range development plans, if any.**

At some point in the future Parkridge may decide to replace its current, older model 1.5 Tesla MRI unit, but that decision has not been made at this time.

3. **Identify the proposed service area <u>and</u> justify the reasonableness of that proposed area. Submit a county level map including the State of Tennessee clearly marked to reflect the service area. Please submit the map on 8 1/2" x 11"**

The proposed service area consists of the following counties:

<u>Tennessee</u>:
Bradley
Hamilton
Marion
Meigs
Rhea
Sequatchie

<u>Georgia</u>
Walker
Catoosa

Patients from these counties accounted for 86% of Parkridge Medical Center's admissions in 2013.

A map of the service area is attached as Attachment C, I, Need, 3.

4. **A. Describe the demographics of the population to be served by this proposal.**

A table reflecting relevant demographics of the service area population is attached as Attachment C, I, Need, 4.

B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

There are no known health disparities among the service area population which would be relevant to the need for MRI services. All counties in the service area except one – Bradley – have a greater proportion of the total population that is age 65+ than does the state as a whole. All counties in the service area except one – Hamilton – have a greater proportion of the of the population below the federal poverty level than does the state as a whole.

Parkridge Medical Center is accessible to all patients regardless of socio-economic status, ethnicity or payor source. Parkridge Medical Center participates in Medicare and TennCare.

5. **Describe the existing or certified services, including approved but unimplemented CONs, of similar institutions in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. Be certain to list each institution and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: admissions or discharges, patient days, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc.**

Because Parkridge is not initiating a new service, facility, or site, and since there are no utilization thresholds for the acquisition of medical equipment, the utilization of area providers should not be relevant.

For informational purposes, a table reflecting overall MRI utilization in the Tennessee counties of the service area is attached as Attachment C, I, Need, 5. It is difficult to accurately discern trends in overall MRI utilization in the service area, due to a lack of reported data for non-hospital MRI providers for 2013.

Based on the data that is available, it appears MRI volume in the service area declined by 11% 2011-2012, and grew by 2% 2012-2013. Overall volume, again based on the incomplete data available, declined by 9.7% 2011-2013. This may be misleading, however, since it is very possible the non-reporting providers saw an increase in utilization during 2013.

6. **Provide applicable utilization and/or occupancy statistics for your institution for each of the past three (3) years and the projected annual utilization for each of the two (2) years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.**

Historical Utilization:

Year	No. of Units	Total MRI Scans
2011	1	2,320
2012	1	2,496
2013	1	2,060*
2014 Annualized	1	2,056

* The decline in utilization is due to the age and functionality of the 1.5 Tesla unit and the loss of cases requiring higher resolution images.

Projected Utilization (Proposed MRI Only):

Year	No. of Units	Total MRI Scans
Year 1	1	2,107
Year 2	1	2,149

Projected Utilization (Both MRIs):

Year	No. of Units	Total MRI Scans
Year 1	2	3,064
Year 2	2	3,125

Methodology (proposed MRI): The applicant estimates it lost 1,403 MRI cases over a recent 12 month period due to the spine cases needing higher resolution imaging. A projected capture rate of 75% was applied, resulting in an estimated 1,052 cases that could be brought back to Parkridge. An additional 930 OP cases are projected, based on existing volume in 2014 (annualized). An additional 125 cases represents normal growth of approximately 6%. MRI scans increased by approximately 7% between

2011-2012, before the loss of the spine cases, and this growth rate was discounted slightly to be conservative. Year 2 volume represents a 2% increase over Year 1 volume, which is believed to also be conservative.

II. ECONOMIC FEASIBILITY

1. **Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.**

    - **All projects should have a project cost of at least $3,000 on Line F. (Minimum CON Filing Fee). CON filing fee should be calculated from Line D. (See Application Instructions for Filing Fee)**
    - **The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.**
    - **The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.**

For projects that include new construction, modification, and/or renovation; documentation must be provided from a contractor and/or architect that support the estimated construction costs.

A completed Project Cost Chart is on the following page.

A letter from the project architect is attached as Attachment C, II, Economic Feasibility, 1.

PROJECT COSTS CHART

A.	Construction and equipment acquired by purchase:	
	1. Architectural and Engineering Fees	$ 27,830.00
	2. Legal, Administrative, Consultant Fees	$ 25,000.00
	3. Acquisition of Site	$ -
	4. Preparation of Site	$ 31,062.00
	5. Construction Costs	$ 462,205.00
	6. Contingency Fund	$ 25,000.00
	7. Fixed Equipment (Not included in Construction Contract)	$ 1,736,841.00
	8. Moveable Equipment (List all equipment over $50,000.00)	
	9. Other Taxes, IT&S, Service Agreement (see attached)	$ 654,339.00
B.	Acquisition by gift donation, or lease:	
	1. Facility (Inclusive of building and land)	
	2. Building Only	
	3. Land Only	
	4. Equipment (Specify) _____	
	5. Other (Specify) _____	
C.	Financing Costs and Fees:	
	1. Interim Financing	
	2. Underwriting Costs	
	3. Reserve for One Year's Debt Service	
	4. Other (Specify) _____	
D.	Estimated Project Cost (A+B+C)	$ 2,962,277.00
E.	CON Filing Fee	$ 6,665.12
F.	Total Estimated Project Cost (D & E)	$ 2,968,942.12
	TOTAL	$ 2,968,942.12

Itemization of Line A, 7:

3.0 T MRI and related componenets:	$1,663,495
Medrad Injector:	$29,790
Invivo Monitor	43556
Total	$1,736,841

Itemization of Line A, 9:

Service Agreement:	$494,624 (warranty for 1.5 years, annual fee of $141,321 for 3.5 years)
Taxes:	$149,715
IT & S	$10,000
Total	$654,339

2. **Identify the funding sources for this project.**

   a. **Please check the applicable item(s) below and briefly summarize how the project will be financed.** ***(Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.)***

__ **A. Commercial loan--Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;**

__ **B. Tax-exempt bonds--Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;**

__ **C. General obligation bonds—Copy of resolution from issuing authority or minutes from the appropriate meeting.**

__ **D. Grants--Notification of intent form for grant application or notice of grant award; or**

X **E. Cash Reserves--Appropriate documentation from Chief Financial Officer.**

A letter from the CFO is attached as Attachment C, II, Economic Feasibility, 2.

__ **F. Other—Identify and document funding from all other sources.**

3. **Discuss and document the reasonableness of the proposed project costs. If applicable, compare the cost per square foot of construction to similar projects recently approved by the Health Services and Development Agency.**

The equipment costs are reasonable and were negotiated and agreed upon in an arms-length transaction among experienced health care business people.

Total renovation costs are $521,097 (including A & E fees of $27,830). For the 1,202 square feet being renovated, the cost is $433.53 per square foot. While this is above the 3rd Quartile of approved hospital renovation cost ($274.63), this is primarily due to two factors: (1) the small scope of the project results in disproportionally higher fixed costs not off-set by savings on incremental costs, and (2) the highly technical requirements for proper installation of the equipment and technology.

4. **Complete Historical and Projected Data Charts on the following two pages--*Do not modify the Charts provided or submit Chart substitutions!* Historical Data Chart represents revenue and expense information for the last *three (3)* years for which complete data is available for the institution. Projected Data Chart requests information for the two (2) years following the completion of this**

proposal. Projected Data Chart should reflect revenue and expense projections for the *Proposal Only* (*i.e.*, if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility).

A completed Historical Data chart is attached on the following page.

A completed Projected Data Chart is attached following the HDC.

HISTORICAL DATA CHART

Give information for the last three (3) years for which complete data are available for the facility or agency.

		Year: 2013	Year: 2012	Year: 2011
A.	Utilization/Occupancy Data			
B.	Revenue from Services to Patients			
	1. Inpatient Services	$495,484,353.00	$463,477,677.00	$393,800,000.00
	2. Outpatient Services	$291,059,449.00	$290,651,092.73	$314,579,000.00
	3. Emergency Services	$95,714,054.00	$86,456,537.27	
	4. Other Operating Revenue	$647,058.00	$916,129.00	$870,000.00
	Specify: _____			
	Gross Operating Revenue	$882,904,914.00	$841,501,436.00	$709,249,000.00
C.	Deductions from Operating Revenue			
	1. Contract Deductions	$667,552,091.00	$634,887,449.00	$528,936,000.00
	2. Provision for Charity Care	$5,410,971.00	$6,523,953.00	$2,980,000.00
	3. Provision for Bad Debt	$16,869,068.00	$10,534,341.00	$10,308,000.00
	Total Deductions	$689,832,130.00	$651,945,743.00	$542,224,000.00
NET OPERATING REVENUE		$193,072,784.00	$189,555,693.00	$167,025,000.00
D.	Operating Expenses			
	1. Salaries and Wages	$61,923,883.00	$60,767,512.00	$55,272,000.00
	2. Physicians' Salaries and Wages			
	3. Supplies	$46,535,454.00	$44,878,313.00	$40,429,000.00
	4. Taxes	$777,291.00	$774,179.00	$739,000.00
	5. Depreciation	$5,436,735.00	$6,352,276.00	$7,183,000.00
	6. Rent	$758,674.00	$984,426.00	$1,032,000.00
	7. Interest, other than Capital	$79,300.00	$71,942.00	
	8. Management Fees:			
	a. Fees to Affiliates	$13,452,652.00	$11,036,759.00	$11,108,000.00
	b. Fees to Non-Alffiliates			
	9. Other Expenses	$26,450,307.00	$25,445,245.00	$23,260,000.00
	Specify: _____			
	Total Operating Expenses	$155,414,296.00	$150,310,652.00	$139,023,000.00
E.	Other Revenue (Expenses)--Net			
	Specify: _____			
NET OPERATING INCOME (LOSS)		$37,658,488.00	$39,245,041.00	$28,002,000.00
F.	Capital Expenditures			
	1. Retirement of Principal			
	2. Interest	$6,919,211.00	$5,212,233.00	$3,866,000.00
	Total Capital Expenditures	$6,919,211.00	$5,212,233.00	$3,866,000.00
NET OPERATING INCOME (LOSS)		$37,658,488.00	$39,245,041.00	$28,002,000.00
LESS CAPITAL EXPENDITURES		$6,919,211.00	$5,212,233.00	$3,866,000.00
NOI LESS CAPITAL EXPENDITURES		$44,577,699.00	$44,457,274.00	$31,868,000.00

PROJECTED DATA CHART

Give information for the two (2) years following completion of this proposal. The fiscal year begins in _1/1/15_____

		Year 1	Year 2
A.	Utilization/Occupancy Data (cases)	2107	2149
B.	Revenue from Services to Patients		
	1. Inpatient Services	$ 4,627,542	$ 4,720,093
	2. Outpatient Services	$ 5,418,660	$ 5,527,033
	3. Emergency Services		
	4. Other Operating Revenue (Specify) _____		
	Gross Operating Revenue	**$ 10,046,202**	**$ 10,247,126**
C.	Deductions from Operating Revenue		
	1. Contractual Adjustments	$ 7,882,180	$ 8,039,824
	2. Provisions for Charity Care	$ 47,468	$ 48,418
	3. Provisions for Bad Debt	$ 182,660	$ 186,313
	Total Deductions	**$ 8,112,308**	**$ 8,274,555**
NET OPERATING REVENUE		$ 1,933,894	$ 1,972,572
D.	Operating Expenses		
	1. Salaries and Wages	$ 129,866	$ 132,464
	2. Physicians' Salaries and Wages		
	3. Supplies	$ 4,051	$ 4,132
	4. Taxes	$ 9,798	$ 9,994
	5. Depreciation	$ 18,259	$ 18,259
	6. Rent		
	7. Interest, other than Capital		
	8. Management Fees:		
	a. Fees to Affiliates		
	b. Fees to Non-Affiliates		
	9. Other Expenses	$ 109,715	$ 111,910
	Specify:_____		
	Total Operating Expenses	$ 271,690	$ 276,759
E.	Other Revenue (Expenses)--Net		
	Specify:_____		
NET OPERATING INCOME (LOSS)		$ 1,662,204	$ 1,695,813
F.	Capital Expenditures		
	1. Retirement of Principal		
	2. Interest		
	Total Capital Expenditures		
NET OPERATING INCOME (LOSS)		$ 1,662,204	$ 1,695,813
LESS CAPITAL EXPENDITURES			
NOI LESS CAPITAL EXPENDITURES		$ 1,662,204	$ 1,695,813

5. **Please identify the project's average gross charge, average deduction from operating revenue, and average net charge.**

Average Gross Charge:	$4,768.01
Average Deduction:	$3,850.17
Average Net Charge:	$917.84

6. **A. Please provide the current and proposed charge schedules for the proposal. Discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the proposed project and the impact on existing patient charges.**

A charge schedule for current and proposed charges is attached as Attachment C, II, Economic Feasibility, 6. There are no planned charge increases for MRI services. This project should have no impact on patient charges.

B. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

Gross Charges per Procedure/Treatment
By Quartiles
Year 2012

Equipment Type	1st Quartile	Median	3rd Quartile
MRI	$1,580.35	$2,106.03	$3,312.48

Source: HSDA Medical Equipment Registry - 12/6/2013

The Medicare reimbursement rates are reflected on the charge schedule attached as Attachment C, II, Economic Feasibility, 6.

7. **Discuss how projected utilization rates will be sufficient to maintain cost-effectiveness.**

As reflected on the Projected Data Chart, this project is cost effective, and has a strong positive NOI in Year 1.

8. **Discuss how financial viability will be ensured within two years; and demonstrate the availability of sufficient cash flow until financial viability is achieved.**

As reflected on the Projected Data Chart, this project will be financially viable in Year 1 and thereafter.

9. **Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project. In addition, report the estimated dollar amount of revenue and percentage of total project revenue anticipated from each of TennCare, Medicare, or other state and federal sources for the proposal's first year of operation.**

Parkridge participate in both Medicare and TennCare/Medicaid. The projected revenues and payor mix of the proposed MRI for Year 1 are as follows:

Medicare:	$709,739	36.7%
TennCare/Medicaid:	$179,852	9.3%

10. **Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For new projects, provide financial information for the corporation, partnership, or principal parties involved with the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility-10.**

Financial Statements for Parkridge Medical Center, Inc. are attached as Attachment C, II, Economic Feasibility, 10.

11. **Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:**

    a. **A discussion regarding the availability of less costly, more effective, and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, the applicant should justify why not; including reasons as to why they were rejected.**

No such alternatives have been identified. The current 1.5 Tesla MRI is an older model, and its field strength is not sufficient for scans such as spine cases requiring

higher resolution and other improved capabilities. The new unit is needed to meet the needs of patients and physicians.

b. The applicant should document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements. It should be documented that superior alternatives have been implemented to the maximum extent practicable.

No new construction is involved in this project. Parkridge is renovating existing space which has most recently been used for non-patient care uses such as office space.

(III.) CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

1. **List all existing health care providers (e.g., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, e.g., transfer agreements, contractual agreements for health services.**

   Parkridge has many such arrangements and relationships, but most are not directly related to MRI services. Radiology services for the MRI are provided by Associates in Diagnostic Radiology.

2. **Describe the positive and/or negative effects of the proposal on the health care system. Please be sure to discuss any instances of duplication or competition arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.**

   This project should has little impact beyond the Parkridge Health System, but it will have a very positive impact on Parkridge' s patients and physicians. Parkridge is acquiring this additional MRI unit to meet existing and future patient demand, and to remain competitive in a robust hospital marketplace in the Chattanooga area.

3. **Provide the current and/or anticipated staffing pattern for all employees providing patient care for the project. This can be reported using FTEs for these positions. Additionally, please compare the clinical staff salaries in the proposal to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workforce Development and/or other documented sources.**

Current staffing for MRI services consists of 2 FTE and 1 PRN MRI technologists. Parkridge does not anticipate needing additional staffing for the proposed MRI. If future volumes require additional staffing, it will be added at that time.

4. **Discuss the availability of and accessibility to human resources required by the proposal, including adequate professional staff, as per the Department of Health, the Department of Mental Health and Developmental Disabilities, and/or the Division of Mental Retardation Services licensing requirements.**

   Parkridge Medical Center is an major employer in the Chattanooga area. Staffing at the hospital meets all applicable standards and regulations.

5. **Verify that the applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff. These include, without limitation, regulations concerning physician supervision, credentialing, admission privileges, quality assurance policies and programs, utilization review policies and programs, record keeping, and staff education.**

   The executive and management teams at Parkridge understand all such licensing and certification requirements and will continue to maintain compliance with the same.

6. **Discuss your health care institution's participation in the training of students in the areas of medicine, nursing, social work, etc. (*e.g.,* internships, residencies, etc.).**

   In regards to imaging, Parkridge Medical Center is a clinical training site for the Chattanooga State Community College MRI program.

7. **(a) Please verify, as applicable, that the applicant has reviewed and understands the licensure requirements of the Department of Health, the Department of Mental Health and Developmental Disabilities, the Division of Mental Retardation Services, and/or any applicable Medicare requirements.**

   The executive and management teams of Parkridge Medical Center are knowledgeable about all such regulatory requirements, and insure Parkridge is in compliance.

   (b) Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

   Licensure: Tennessee Board for Licensing Health Care Facilities

   Accreditation: The Joint Commission

   If an existing institution, please describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility.

Parkridge Medical Center is in good standing with all licensing and accrediting agencies.

A copy of the hospital license is attached as Attachment C, III, Orderly Development, 7.

8. **For existing licensed providers, document that all deficiencies (if any) cited in the last licensure certification and inspection have been addressed through an approved plan of correction. Please include a copy of the most recent licensure/certification inspection with an approved plan of correction.**

   A letter from CMS verifying Parkridge Medical Center's "deemed compliance" status is attached as Attachment C, III, Orderly Development, 8.

9. **Document and explain any final orders or judgments entered in any state or country by a licensing agency or court against professional licenses held by the applicant or any entities or persons with more than a 5% ownership interest in the applicant. Such information is to be provided for licenses regardless of whether such license is currently held.**

   None

10. **Identify and explain any final civil or criminal judgments for fraud or theft against any person or entity with more than a 5% ownership interest in the project.**

    None.

11. **If the proposal is approved, please discuss whether the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required.**

    If the proposal is approved, Parkridge will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required.

PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper as proof of the publication of the letter of intent.

A Publisher's Affidavit has been requested from the Chattanooga Times Free Press, and will be timely provided when received.

DEVELOPMENT SCHEDULE

Tennessee Code Annotated § 68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

1. **Please complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.**

   A completed Project Completion Forecast Chart is on the following page.

2. **If the response to the preceding question indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph, please state below any request for an extended schedule and document the "good cause" for such an extension.**

   N/A

PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision date, as published in Rule 68-11-1609(c): November 2014

Assuming the CON approval becomes the final agency action on that date; indicate the number of days **from the above agency decision date** to each phase of the completion forecast.

PHASE	DAYS REQUIRED	ANTICIPATED DATE (Month/Year)
1. Architectural and engineering contract signed	30	Dec '14
2. Construction documents approved by the Tennessee Department of Health	120	Mar '15
3. Construction contract signed	150	Apr '15
4. Building permit secured	180	May '15
5. Site preparation completed	180	May '15
6. Building construction commenced	210	Jun '15
7. Construction 40% complete	240	July '15
8. Construction 80% complete	270	Aug '15
9. Construction 100% complete (approved for occupancy	300	Sep'15
10. *Issuance of license	300	Sep '15
11. *Initiation of service	300	Sep '15
12. Final Architectural Certification of Payment	330	Oct '15
13. Final Project Report Form (HF0055)	330	Oct '15

List of Attachments

Parkridge Medical Center – CON for MRI

Business Entity Detail

Available Entity Actions

File Annual Report (after 12/01/2014)

Certificate of Existence

More Update Mailing Address

Entity details cannot be edited. This detail reflects the current state of the filing in the system.

Return to the Business Information Search.

000023600: Corporation For-Profit - Domestic

Printer Friendly Version

Name: PARKRIDGE MEDICAL CENTER, INC.
Old Name: PARKRIDGE HEALTH SYSTEM, INC.

Status: Active
Formed in: TENNESSEE
Fiscal Year Close: December
Term of Duration: Perpetual
Principal Office: 1 PARK PLZ
NASHVILLE, TN 37203-6527 USA
Mailing Address: LEGAL DEPT
PO BOX 750
NASHVILLE, TN 37202-0750 USA
AR Exempt: No
Shares of Stock: 100,000

Initial Filing Date: 07/09/1970
Delayed Effective Date:
AR Due Date: 04/01/2015
Inactive Date:

Obligated Member Entity: No

Assumed Names | History | Registered Agent

Name	Status	Expires
Parkridge West Hospital	Active	04/21/2019
Parkridge West Hospital, A Facility of Parkridge Medical Center	Active	04/15/2019
Grandview Medical Center	Active	03/11/2019
Parkridge Valley Child & Adolescent Campus	Active	10/16/2017
Parkridge Valley Adult and Senior Campus	Active	10/16/2017
PARKRIDGE VALLEY HOSPITAL	Active	10/05/2016
Parkridge Health System	Active	01/08/2015
PARKRIDGE EAST HOSPITAL	Active	10/12/2014
EAST RIDGE HOSPITAL	Inactive - Name Changed	02/20/2009
VALLEY HOSPITAL	Inactive - Name Changed	02/20/2009
PARKRIDGE MEDICAL CENTER	Inactive - Name Cancelled	09/12/2007
MED-SOUTH URGENT CARE CENTER	Inactive - Name Cancelled	09/07/2006
COLUMBIA HOMECARE EAST RIDGE HOSPITAL	Inactive - Name Cancelled	11/06/2005
COLUMBIA PARKRIDGE MEDICAL CENTER	Inactive - Name Changed	02/03/2005
COLUMBIA VALLEY HOSPITAL	Inactive - Name Changed	11/23/2004
COLUMBIA HOMECARE TENNESSEE	Inactive - Name Cancelled	12/16/2003
PARKRIDGE MEDICAL CENTER	Inactive	09/15/2000
HCA PARKRIDGE MEDICAL CENTER	Inactive - Name Expired	09/25/1994

Attachment A, 4

CHARTER

OF

PARKRIDGE HOSPITAL, INC.

The undersigned natural persons, having capacity to contract and acting as the incorporators of a corporation under the Tennessee General Corporation Act, adopt the following Charter for such corporation:

1. The name of the corporation is Parkridge Hospital, Inc.

2. The duration of the corporation is perpetual.

3. The address of the principal office of the corporation in the State of Tennessee shall be 242 25th Avenue, North, Nashville, County of Davidson.

4. The corporation is for profit.

5. The purposes for which the corporation is organized are:

(a) To own, manage and operate hospitals, nursing homes, clinics, and all other types of health-care or medically oriented facilities.

(b) To buy, sell and lease articles of commerce, and, in connection therewith, to own, manage and operate wholesale and retail sales outlets.

(c) To buy, sell, develop, and lease real estate.

(d) To provide consultation, advisory and management services to any business, whether corporation, trust, association, partnership, joint venture or proprietorship.

(e) To engage in any lawful businesses which are directly or indirectly related to the above purposes.

6. The maximum number of shares which the corporation shall have the authority to issue is One Hundred Thousand (100,000) shares of Common Stock, par value of $1.00 per share.

7. The corporation will not commence business until the consideration of One Thousand Dollars ($1,000) has been received for the issuance of shares.

8. (a) The shareholders of this corporation shall have none of the preemptive rights set forth in the Tennessee General Corporation Act.

(b) The initial bylaws of this corporation shall be adopted by the incorporators hereof, and thereafter, the bylaws of this corporation may be amended, repealed or adopted by a majority of the members of the entire Board of Directors, or by the holders of a majority of the outstanding shares of capital stock.

(c) This corporation shall have the right and power to purchase and hold shares of its capital stock; provided, however, that such purchase, whether direct or indirect, shall be made only to the extent of unreserved and unrestricted capital surplus.

Dated July 9 , 1970.

Robert G. McCullough

Maclin P. Davis, Jr.

William E. Martin

I, JOE C. CARR, Secretary of State, do certify that this Charter, with certificate attached, the foregoing of which is a true copy, was this day registered and certified to by me.

This the 9th day of July, 1970

JOE C. CARR,

SECRETARY OF STATE

FEE: $ 20.00

APPLICATION FOR REGISTRATION OF ASSUMED CORPORATE NAME

Pursuant to the provisions of Section 48-14-101(d) of the Tennessee Business Corporation Act or Section 48-54-101(d) of the Tennessee Nonprofit Corporation Act, the undersigned corporation hereby submits this application:

1. The true name of the corporation is Parkridge Hospital, Inc.

2. The state or country of incorporation is Tennessee.

3. The corporation intends to transact business in Tennessee under an assumed corporate name.

4. The corporation is for profit.

~~The corporation is nonprofit.~~

[NOTE: Please strike the sentence which does not apply to this corporation.]

5. The assumed corporate name the corporation proposes to use is Parkridge Medical Center.

[NOTE: The assumed corporate name must meet the requirements of Section 48-14-101 of the Tennessee Business Corporation Act or Section 48-54-101 of the Tennessee Nonprofit Corporation Act.]

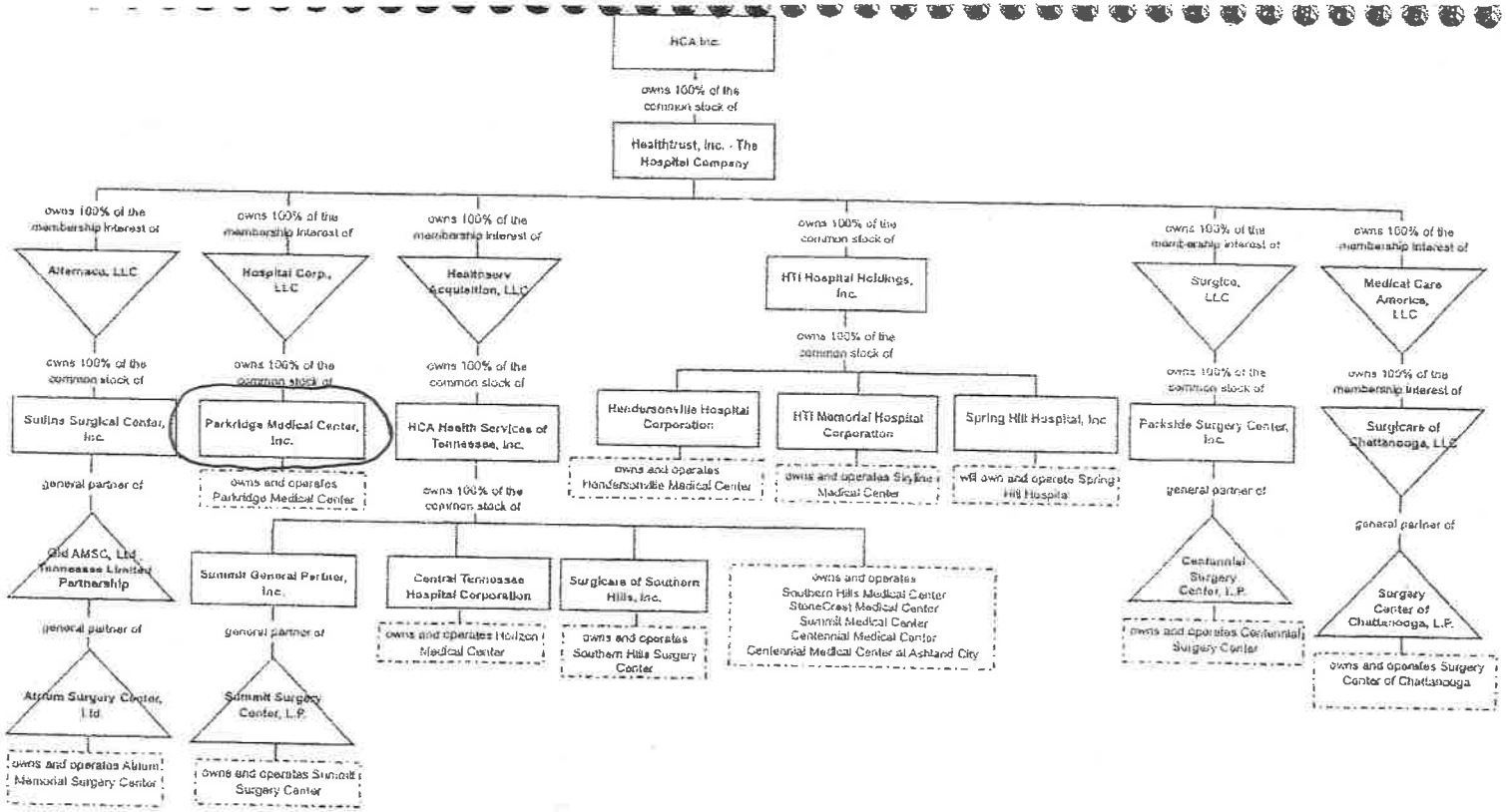
08/15/94
Signature/ Date

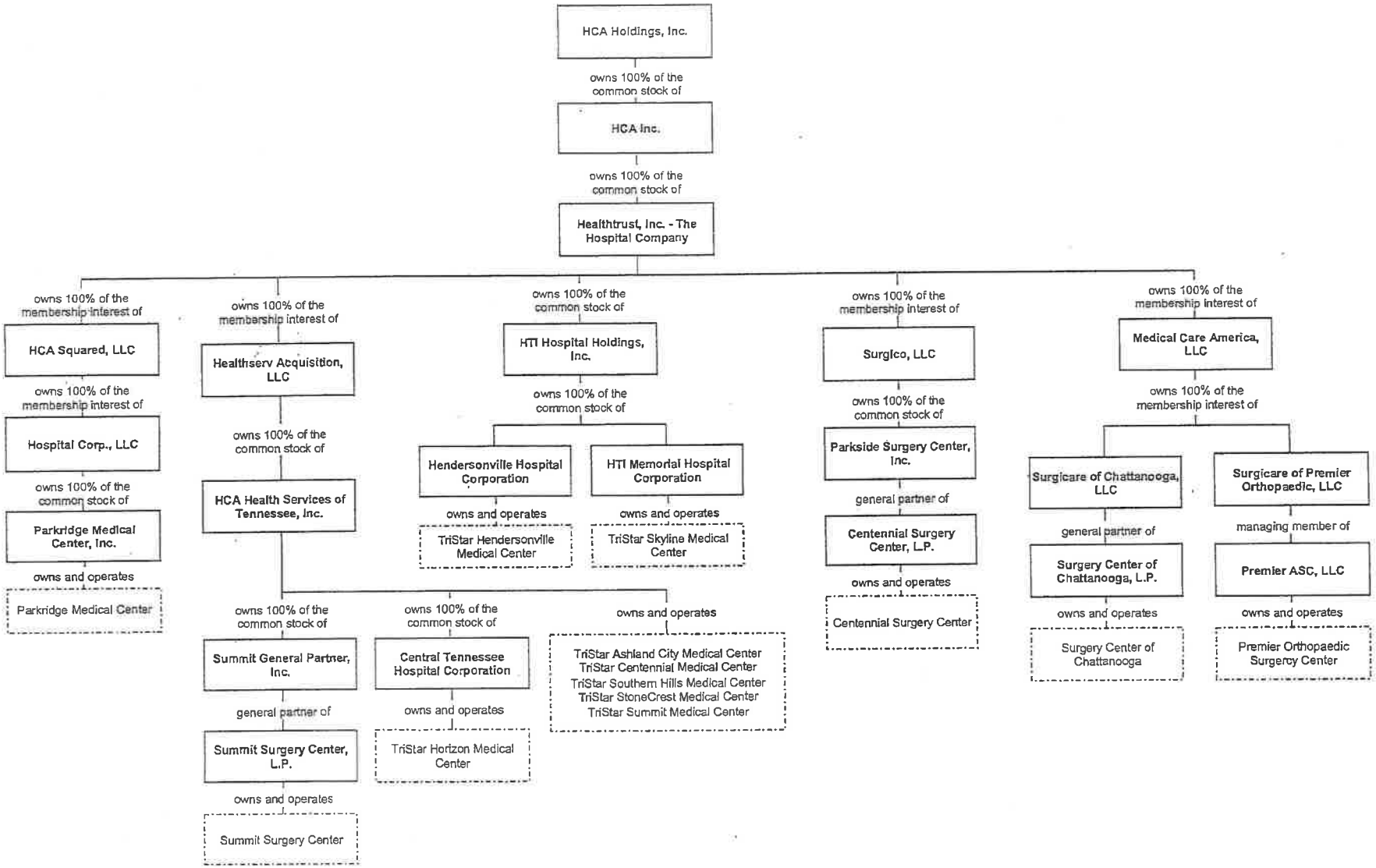
Vice President
Signer's Capacity

Parkridge Hospital, Inc.
Name of Corporation

Signature

Rachel A. Seifert
Name (typed or printed)


HCA Inc.
owns 100% of the common stock of
Healthtrust, Inc. - The Hospital Company
owns 100% of the membership interest of
Alternacare, LLC
owns 100% of the common stock of
Sutlins Surgical Center, Inc.
general partner of
Qld AMSC, Ltd. Tennessee Limited Partnership
general partner of
Atrium Surgery Center, Ltd.
owns and operates Atrium Memorial Surgery Center
owns 100% of the membership interest of
Hospital Corp., LLC
owns 100% of the common stock of
Parkridge Medical Center, Inc.
owns and operates Parkridge Medical Center
general partner of
Summit Surgery Center, L.P.
owns and operates Summit Surgery Center
owns 100% of the membership interest of
Healthcorp Acquisition, LLC
owns 100% of the common stock of
HCA Health Services of Tennessee, Inc.
owns 100% of the common stock of
Summit General Partner, Inc.
Central Tennessee Hospital Corporation
owns and operates Horizon Medical Center
Surgicare of Southern Hills, Inc.
owns and operates Southern Hills Surgery Center
owns and operates Southern Hills Medical Center
StoneCrest Medical Center
Summit Medical Center
Centennial Medical Center
Centennial Medical Center at Ashland City
owns 100% of the common stock of
HTI Hospital Holdings, Inc.
owns 100% of the common stock of
Hendersonville Hospital Corporation
owns and operates Hendersonville Medical Center
HTI Memorial Hospital Corporation
owns and operates Skyline Medical Center
Spring Hill Hospital, Inc
will own and operate Spring Hill Hospital
owns 100% of the membership interest of
Surgico, LLC
owns 100% of the common stock of
Parkside Surgery Center, Inc.
general partner of
Centennial Surgery Center, L.P.
owns and operates Centennial Surgery Center
owns 100% of the membership interest of
Medical Care America, LLC
owns 100% of the membership interest of
Surgicare of Chattanooga, LLC
general partner of
Surgery Center of Chattanooga, L.P.
owns and operates Surgery Center of Chattanooga


HCA Holdings, Inc.
owns 100% of the common stock of
HCA Inc.
owns 100% of the common stock of
Healthtrust, Inc. - The Hospital Company
owns 100% of the membership interest of
HCA Squared, LLC
owns 100% of the membership interest of
Hospital Corp., LLC
owns 100% of the common stock of
Parkridge Medical Center, Inc.
owns and operates
Parkridge Medical Center
owns 100% of the membership interest of
Healthserv Acquisition, LLC
owns 100% of the common stock of
HCA Health Services of Tennessee, Inc.
owns 100% of the common stock of
Summit General Partner, Inc.
general partner of
Summit Surgery Center, L.P.
owns and operates
Summit Surgery Center
owns 100% of the common stock of
HTI Hospital Holdings, Inc.
owns 100% of the common stock of
Hendersonville Hospital Corporation
owns and operates
TriStar Hendersonville Medical Center
HTI Memorial Hospital Corporation
owns and operates
TriStar Skyline Medical Center
owns 100% of the common stock of
Central Tennessee Hospital Corporation
owns and operates
TriStar Horizon Medical Center
owns and operates
TriStar Ashland City Medical Center
TriStar Centennial Medical Center
TriStar Southern Hills Medical Center
TriStar StoneCrest Medical Center
TriStar Summit Medical Center
owns 100% of the membership interest of
Surgico, LLC
owns 100% of the common stock of
Parkside Surgery Center, Inc.
general partner of
Centennial Surgery Center, L.P.
owns and operates
Centennial Surgery Center
owns 100% of the membership interest of
Medical Care America, LLC
owns 100% of the membership interest of
Surgicare of Chattanooga, LLC
general partner of
Surgery Center of Chattanooga, L.P.
owns and operates
Surgery Center of Chattanooga
Surgicare of Premier Orthopaedic, LLC
managing member of
Premier ASC, LLC
owns and operates
Premier Orthopaedic Surgery Center

NAME/ADDRESS OF NEW OWNER(S):	SEND TAX BILLS TO:
PARKRIDGE HOSPITAL, INC.	Parkridge Hospital, Inc.
c/o Vice President, Real Estate P.O. Box 550	c/o Henry Glascock Co. 3903 Volunteer Trail
Nashville, TN 37202	Chattanooga, TN 37416
TAX MAP PARCEL NUMBER(S): 146k-L-8,9,10,16,17,18,47,48,49,56,57,59,60 146k-L-61,62,63&64 146k-K-3&4	

QUITCLAIM DEED

IN CONSIDERATION of the sum of One Dollar ($1.00), cash in hand paid, and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged;

HOSPITAL CORPORATION OF AMERICA, a Tennessee Corporation, and HCA PROPERTIES, INC., a Tennessee Corporation, do hereby grant, transfer, quitclaim and convey unto PARKRIDGE HOSPITAL, INC., a Tennessee Corporation, all their right, title and interest in and to the following described Real Estate:

IN THE CITY OF CHATTANOOGA, HAMILTON COUNTY, TENNESSEE:
Lot One (1), Corrective Plat, Parkridge Medical Center, as shown by plat of record in Plat Book 46, page 176, in the Register's Office of Hamilton County, Tennessee.
REFERENCE is made for prior title to Deeds of record in Book 2342, page 433 and Book 2364, page 14, in the Register's Office of Hamilton County, Tennessee, and those other Deeds noted on said plat of record in Plat Book 46, page 176, in the Register's Office of Hamilton County, Tennessee.
Description from plat dated July 20, 1992 by Jackie L. Dillehay, 103 McMurry Boulevard, Hartsville, Tennessee, License No. 1417.
SUBJECT TO Governmental zoning and subdivision ordinances or regulations in effect thereon.

IN WITNESS WHEREOF HOSPITAL CORPORATION OF AMERICA and HCA PROPERTIES, INC. have hereunto caused their official names to be signed by their respective duly authorized officers, on this the 23rd day of September, 1992.

HOSPITAL CORPORATION OF AMERICA

BY: David J. Malone, Jr.
Title: Vice President

BY: James H. Spalding
Title: Asst. Secretary

HCA PROPERTIES, INC.

BY: David J. Malone, Jr.
Title: Vice President

BY: James H. Spalding
Title: Asst. Secretary

NO TRANSFER TAX DUE

SARAH P. DePRIESE

County Register

BOOK 4046 PAGE 440

09/30/92 CONV 10.00 ✓

09/30/92 M/00 8.00 **5.00

STATE OF TENNESSEE)

COUNTY OF DAVIDSON)

On this 23rd day of September, 1992, before me personally appeared David J. Malone, Jr. and James H. Spalding, with whom I am personally acquainted, and who upon oath acknowledged themselves to be the Vice President and Asst. Secretary, respectively, of HOSPITAL CORPORATION OF AMERICA, a Tennessee Corporation, the within-named bargainor, and that they, as such officers being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the said bargainor, by themselves as such officers.

IN WITNESS WHEREOF I have hereunto set my hand and Notarial Seal.

Helen W. Cook
NOTARY PUBLIC

My commission expires:

November 26, 1994

STATE OF TENNESSEE)

COUNTY OF DAVIDSON)

On this 23rd day of September, 1992, before me personally appeared David J. Malone, Jr. and James H Spalding, with whom I am personally acquainted, and who upon oath acknowledged themselves to be the Vice President and Asst. Secretary, respectively, of HCA PROPERTIES, INC., a Tennessee Corporation, the within-named bargainor, and that they, as such officers being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the said bargainor, by themselves as such officers.

IN WITNESS WHEREOF I have hereunto set my hand and Notarial Seal.

Helen W. Cook
NOTARY PUBLIC

My commission expires:

November 26, 1994

STATE OF TENNESSEE)
COUNTY OF ~~HAMILTON)~~ DAVIDSON

I hereby swear or affirm that the actual consideration for this transfer is $ 10.00 ✓.

HCA PROPERTIES, INC.
BY: _____ Auth. Rep.
AFFIANT - Grantee

092440

Subscribed and sworn to before me on this 23rd day of September, 1992.

SARAH P. DEPRIESE
REGISTER
HAMILTON COUNTY
TENNESSEE

Clinical Applications of 3.0 Tesla MRI

3D CT/MRI/US/OTH IND
3D CT/MRI/US/OTH NOT IND
CAD LESN DETECT BRST MRI
MR GUIDANCE TISSUE ABLAT
MRA HD W&WO CONTRAST
MRA HD W/CONTRAST
MRA HD W/O CONT
MRA NECK W&WO CONT
MRA NECK W/CONTRAST
MRA NECK W/O CONT
MRA SPINE W CONT
MRA SPINE W WO CON
MRA SPINE WO CONT
MRA UP EXT W CONT LT
MRA UP EXT W CONT RT
MRA UP EXT WO CONT LT
MRA UP EXT WO CONT RT
MRA UP EXT WWO CONT LT
MRA UP EXT WWO CONT RT
MRA W/CONT ABD
MRA W/CONT CHEST
MRA W/CONT LWR EXT LT
MRA W/CONT LWR EXT RT
MRA W/O CONT ABD
MRA W/O CONT CHEST
MRA W/O CONT LWR EXT LT
MRA W/O CONT LWR EXT RT
MRA W/O FOL W/CONT ABD
MRA W/O FOL W/CONT CHEST
MRA WO FOL W CONT PELVIS
MRA WO W CONT LWR EXT LT
MRA WO W CONT LWR EXT RT
MRI ABDOMEN W&WO CONT
MRI ABDOMEN W/CONT
MRI ABDOMEN W/O CONT
MRI BONE MARROW BLD
MRI BRAIN W&WO CONT
MRI BRAIN W/CONTRAST
MRI BRAIN W/O CONTRAST
MRI CHEST W&WO CONT
MRI CHEST W/CONTRAST
MRI CHEST W/O CONT
MRI C-SPINE W&W/O CONT
MRI C-SPINE W/CONTRAST
MRI C-SPINE W/O CONT
MRI LOW EXT W&WO CONT LT

MRI LOW EXT W&WO CONT RT
MRI LOW EXT W/CONT LT
MRI LOW EXT W/CONT RT
MRI LOW EXT W/O CONT LT
MRI LOW EXT W/O CONT RT
MRI L-SPINE W&W/O CONT
MRI L-SPINE W/CONT
MRI L-SPINE W/O CONT
MRI LW JNT W WO CONT BI
MRI LW JNT W&WO CONT LT
MRI LW JNT W&WO CONT RT
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MRI LW JNT W/CONTRAST RT
MRI LW JNT W/O CONT LT
MRI LW JNT W/O CONT RT
MRI OR/FCE/NCK W&WO
MRI OR/FCE/NCK W/CONT
MRI OR/FCE/NCK W/O CONT
MRI PELVIS W&WO CONT
MRI PELVIS W/CONTRAST
MRI PELVIS W/O CONT
MRI TMJ
MRI T-SPINE W&W/O CONT
MRI T-SPINE W/CONTRAST
MRI T-SPINE W/O CONT
MRI UP EX W WO CONT BI
MRI UP EX W&WO CONT LT
MRI UP EX W&WO CONT RT
MRI UP JNT W WO CONT BI
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MRI UP JNT W/O CONT LT
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MRI UPPER EX W/CONT LT
MRI UPPER EX W/CONT RT
MRI UPPER EX W/O CONT LT
MRI UPPER EX W/O CONT RT
MRI W/CONT BREAST BI
MRI W/CONT BREAST UNI LT
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MRI WO FOL W/CON BRST BI
MRI WO FOL WCON BR UN LT
MRI WO FOL WCON BR UN RT

DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Food and Drug Administration
10903 New Hampshire Avenue
Document Control Room - WO66-G609
Silver Spring, MD 20993-0002

Mr. Toru Shimizu
Regulatory Affairs Specialist
GE Healthcare Japan Corporation
7-127, Asahigaoka 4-Chrome
Hino-Shi, Tokyo, 191-8503
JAPAN

SEP 30 2011

Re: K103327
Trade/Device Name: Discovery MR750w 3.0T System
Regulation Number: 21 CFR 892.1000
Regulation Name: Magnetic resonance diagnostic device
Regulatory Class: II
Product Code: LNH, LNI and MOS
Dated: September 2, 2011
Received: September 7, 2011

Dear Mr. Shimizu:

We have reviewed your Section 510(k) premarket notification of intent to market the device referenced above and have determined the device is substantially equivalent (for the indications for use stated in the enclosure) to legally marketed predicate devices marketed in interstate commerce prior to May 28, 1976, the enactment date of the Medical Device Amendments, or to devices that have been reclassified in accordance with the provisions of the Federal Food, Drug, and Cosmetic Act (Act) that do not require approval of a premarket approval application (PMA). You may, therefore, market the device, subject to the general controls provisions of the Act. The general controls provisions of the Act include requirements for annual registration, listing of devices, good manufacturing practice, labeling, and prohibitions against misbranding and adulteration.

If your device is classified (see above) into class II (Special Controls), it may be subject to such additional controls. Existing major regulations affecting your device can be found in Title 21, Code of Federal Regulations (CFR), Parts 800 to 895. In addition, FDA may publish further announcements concerning your device in the Federal Register.

Please be advised that FDA's issuance of a substantial equivalence determination does not mean that FDA has made a determination that your device complies with other requirements of the Act or any Federal statutes and regulations administered by other Federal agencies. You must comply with all the Act's requirements, including, but not limited to: registration and listing (21 CFR Part 807); labeling (21 CFR Parts 801 and 809); medical device reporting (reporting of

medical device-related adverse events) (21 CFR 803); and good manufacturing practice requirements as set forth in the quality systems (QS) regulation (21 CFR Part 820). This letter will allow you to begin marketing your device as described in your Section 510(k) premarket notification. The FDA finding of substantial equivalence of your device to a legally marketed predicate device results in a classification for your device and thus, permits your device to proceed to the market.

If you desire specific advice for your device on our labeling regulation (21 CFR Parts 801 and 809), please contact the Office of *In Vitro* Diagnostic Device Evaluation and Safety at (301) 796-5450. Also, please note the regulation entitled, "Misbranding by reference to premarket notification" (21 CFR Part 807.97). For questions regarding the reporting of adverse events under the MDR regulation (21 CFR Part 803), please go to http://www.fda.gov/MedicalDevices/Safety/ReportaProblem/default.htm for the CDRH's Office of Surveillance and Biometrics/Division of Postmarket Surveillance.

You may obtain other general information on your responsibilities under the Act from the Division of Small Manufacturers, International and Consumer Assistance at its toll-free number (800) 638-2041 or (301) 796-7100 or at its Internet address http://www.fda.gov/cdrh/industry/support/index.html.

Sincerely Yours,

Mary S. Pastel

Mary S. Pastel, Sc.D.
Director
Division of Radiological Devices
Office of In Vitro Diagnostic Device
Evaluation and Safety
Center for Devices and Radiological Health

Enclosure

K103327

510(k) Number (if known): K103327

Device Name: Discovery MR750w 3.0T

Indications for Use:

The Discovery MR750w 3.0T is a whole body magnetic resonance scanner designed to support high resolution, high signal-to-noise ratio, and short scan times. It is indicated for use as a diagnostic imaging device to produce axial, sagittal, coronal, and oblique images, spectroscopic images, parametric maps, and/or spectra, dynamic images of the structures and/or functions of the entire body, including, but not limited to, head, neck, TMJ, spine, breast, heart, abdomen, pelvis, joints, prostate, blood vessels, and musculoskeletal regions of the body. Depending on the region of interest being imaged, contrast agents may be used. The images produced by the Discovery MR750w 3.0T reflect the spatial distribution or molecular environment of nuclei exhibiting magnetic resonance. These images and/or spectra when interpreted by a trained physician yield information that may assist in diagnosis.

Prescription Use __X__ AND/OR Over-The-Counter Use _____
(Part 21 CFR 801 Subpart D) (Part 21 CFR 801 Subpart C)

(PLEASE DO NOT WRITE BELOW THIS LINE - CONTINUE ON ANOTHER PAGE IF NEEDED)

Concurrence of CDRH, Office of In Vitro Diagnostic Devices (OIVD)

Mary S. Pastel

Division Sign-Off
Office of In Vitro Diagnostic Device
Evaluation and Safety
510(k)_____

Quotation Number: PR3-C11636 V 5

Parkridge Medical Center
2333 McCallie Ave
Chattanooga TN 37404-3258

Attn: Keith Davis
2333 McCallie Ave
Chattanooga TN 37404

Date: 06-05-2014

This Agreement (as defined below) is by and between the Customer and the GE Healthcare business ("GE Healthcare"), each as identified herein. GE Healthcare agrees to provide and Customer agrees to pay for the Products listed in this GE Healthcare Quotation ("Quotation"). "Agreement" is defined as this Quotation and the terms and conditions set forth in either (i) the Governing Agreement identified below or (ii) if no Governing Agreement is identified, the following documents:

1) This Quotation that identifies the Product offerings purchased or licensed by Customer;

2) The following documents, as applicable, if attached to this Quotation: (i) GE Healthcare Warranty(ies); (ii) GE Healthcare Additional Terms and Conditions; (iii) GE Healthcare Product Terms and Conditions; and (iv) GE Healthcare General Terms and Conditions.

In the event of conflict among the foregoing items, the order of precedence is as listed above.

This Quotation is subject to withdrawal by GE Healthcare at any time before acceptance. Customer accepts by signing and returning this Quotation or by otherwise providing evidence of acceptance satisfactory to GE Healthcare. Upon acceptance, this Quotation and the related terms and conditions listed above (or the Governing Agreement, if any) shall constitute the complete and final agreement of the parties relating to the Products identified in this Quotation. The parties agree that they have not relied on any oral or written terms, conditions, representations or warranties outside those expressly stated or incorporated by reference in this Agreement in making their decisions to enter into this Agreement. No agreement or understanding, oral or written, in any way purporting to modify this Agreement, whether contained in Customer's purchase order or shipping release forms, or elsewhere, shall be binding unless hereafter agreed to in writing by authorized representatives of both parties. Each party objects to any terms inconsistent with this Agreement proposed by either party unless agreed to in writing and signed by authorized representatives of both parties, and neither the subsequent lack of objection to any such terms, nor the delivery of the Products, shall constitute an agreement by either party to any such terms.

By signing below, each party certifies that it has not made any handwritten modifications. Manual changes or mark-ups on this Agreement (except signatures in the signature blocks and an indication in the form of payment section below) will be void.

- Terms of Delivery: FOB Destination
- Quotation Expiration Date: 06-27-2014
- Billing Terms: 80% delivery / 20% Installation
- Payment Terms: NET 30
- Governing Agreement: HCA American Group

Each party has caused this agreement to be signed by an authorized representative on the date set forth below. Please submit purchase orders to GE Healthcare
Please submit Purchase Orders to: General Electric Company, GE Healthcare, 3000 N. Grandview Blvd., Mail Code WT-897, Waukesha, WI 53188

GE HEALTHCARE

J Mcnatt
06-05-2014
Product Sales Specialist

CUSTOMER

Authorized Customer Date

Print Name and Title

PO #

Desired Equipment First Use Date

GE Healthcare will use reasonable efforts to meet Customer's desired equipment first use date. The actual delivery date will be mutually agreed upon by the parties.

INDICATE FORM OF PAYMENT:

If "GE HFS Loan" or "GE HFS Lease" is NOT selected at the time of signature, then you may NOT elect to seek financing with GE Healthcare Financial Services (GE HFS) to fund this arrangement after shipment.

____Cash/Third Party Loan

____GE HFS Lease

____GE HFS Loan

____Third Party Lease (please identify financing company) _____

Attachment B, II, E, (3)

Quotation Number: PR3-C11636 V 5

Item No.	Qty	Catalog No.	Description	Contract Price	Discount	Ext Sell Price
1	1	S7024AE	Discovery MR750w GEM 3.0T MR System EX Platform The Discovery MR750w GEM 3.0T MR system from GE Healthcare is designed to deliver a comfortable patient-friendly environment while also delivering uncompromised clinical performance and streamlined workflow. The EX platform package delivers the system electronics, operating software, imaging software, post-processing software and RF coil suite for the Discovery MR750w GEM system: • Gradient Technology • Acoustic Reduction Technology • OpTix RF Receive Technology • Volume Reconstruction Engine • Computing Platform and DICOMM • GEM Express Patient Table with IntelliTouch • GEM Suite - Expert Coil Package • Express 2.0 Workflow and In-Room Operator Console • ScanTools and ES and EX Tools • Silent Suite - Silent Neuro Exam with 3D Silenz MRA Gradient Technology: The Discovery MR750w GEM system utilizes the latest in MR gradient technology with the wide eXtreme Resonance Module (XRMw). XRMw gradients deliver 44 mT/m peak amplitude, up to 200 T/m/s instantaneous peak slew-rate on each axis, and deliver unmatched fidelity,	$2,224,000.00	63.70%	$807,312.00

Descriptions and itemizations of all components have been omitted (approximately 60 pages), but are available upon staff request.

Item No.	Qty	Catalog No.	Description	Contract Price	Discount	Ext Sell Price
			installation with a certified electrician • ITEM IS NON-RETURNABLE AND NON-REFUNDABLE			
20	1	E8803BE	Physician's Chair with Padded Arms Physician's chair has padded arms for comfort and comes in a charcoal gray color that blends with any environment. Chair adjusts from 16.75 in. to 21 in. (42.5 cm x 53.3cm) and is only for use in the MR Control Room. Weighs 45 lbs.	$899.00	23.00%	$692.23
21	1	E8823JB	MR Dielectric Pad Set-Includes 1 Neck Pad and 1 Abdomen Pad These soft and flexible dielectric pads are used to suppress shading artifacts that can sometimes be encountered at higher 3.0T field strengths, and especially when imaging in the cervical spine and abdomen and pelvis. Covered with a patient friendly outer cover, the neck pad is placed inside the coil, and under the patient's neck, while the abdomen pad is placed over the patient's abdomen or pelvis and under the front portion of the torso array coil.	$1,050.00	23.00%	$808.50
22	1		Rigging magnet from truck to MRI room.	$8,000.00	0.00%	$8,000.00

Quote Summary:

Total Contract List Price:	**$4,485,687.00**
Total Discount: (62.92%)	**($2,822,192.22)**
Total Extended Selling Price:	**$1,663,494.78**
Total Quote Net Selling Price	**$1,663,494.78**

(Quoted prices do not reflect state and local taxes if applicable. Total Net Selling Price Includes

GE Healthcare

Imaging Service Proposal

HPG SIP Preferred Plus Program Diagnostic

Parkridge Medical Center

Quote expires on 9/30/2014

GE Healthcare is excited about partnering with you for all of your Diagnostic Imaging service needs. The following is a preliminary quote for your imaging equipment. The quote is for budgetary purposes and contains only a general description of the proposed Service offerings. Final pricing and terms will be solely those contained in an executed Agreement.

Equipment	Effective Date	Offering	Options	Features	Annual Amount
GE MR 3.0T DISCOVERY MR750w (MDF020)	6 Months After End of System Warranty	Full Coverage SIP Preferred Plus	INCLUDED: MMC EXCLUDED: Coldhead Chiller Coverage	FE Cov. Weekdays: Mon-Fri, 8AM-9PM	$136,000
GE MR MR MAGNET MAINTENANCE AND CRYOGEN (MSC28Z)	6 Months After End of System Warranty	HPG Magnet Maintenance and Cryogen		FE Cov. Weekdays: Mon-Fri, 8AM-9PM InSite / Tech. Phone Support	$0
DIMPLEX MV PR DIMPLEX WO2-7500 CHILLER (30 TON) (SDI030)	End of Warranty	Full Coverage SIP Preferred Plus		FE Cov. Weekdays: Mon-Fri, 8AM-9PM	$5,321
TOTAL:					$141,321

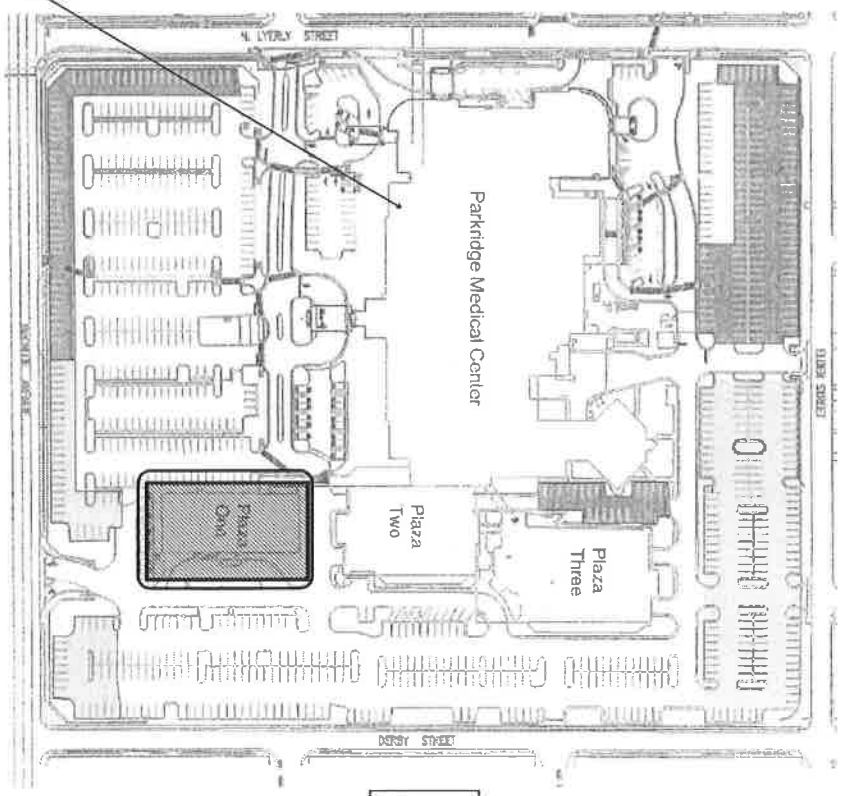
Please call me with any questions:
(262) 825-8909

Respectfully,

Jillian Edwards
Healthcare Services Account Manager

MRI Location

N. Lyerly Street



McCallie Avenue

Elder Street

Derby Street

Approximately 24.2 Acres

DATE	Dec. 17, 2009
DESIGNED:	L. Easley
DRAWN:	B. Shrum
SCALE:	Not To Scale
JOB NO.	WK. ORDER
99-044	9055

PARKRIDGE MEDICAL CENTER
HCA CORPORATE REAL ESTATE

CITY OF CHATTANOOGA, HAMILTON COUNTY, TENNESSEE

PARKING STUDY "A"

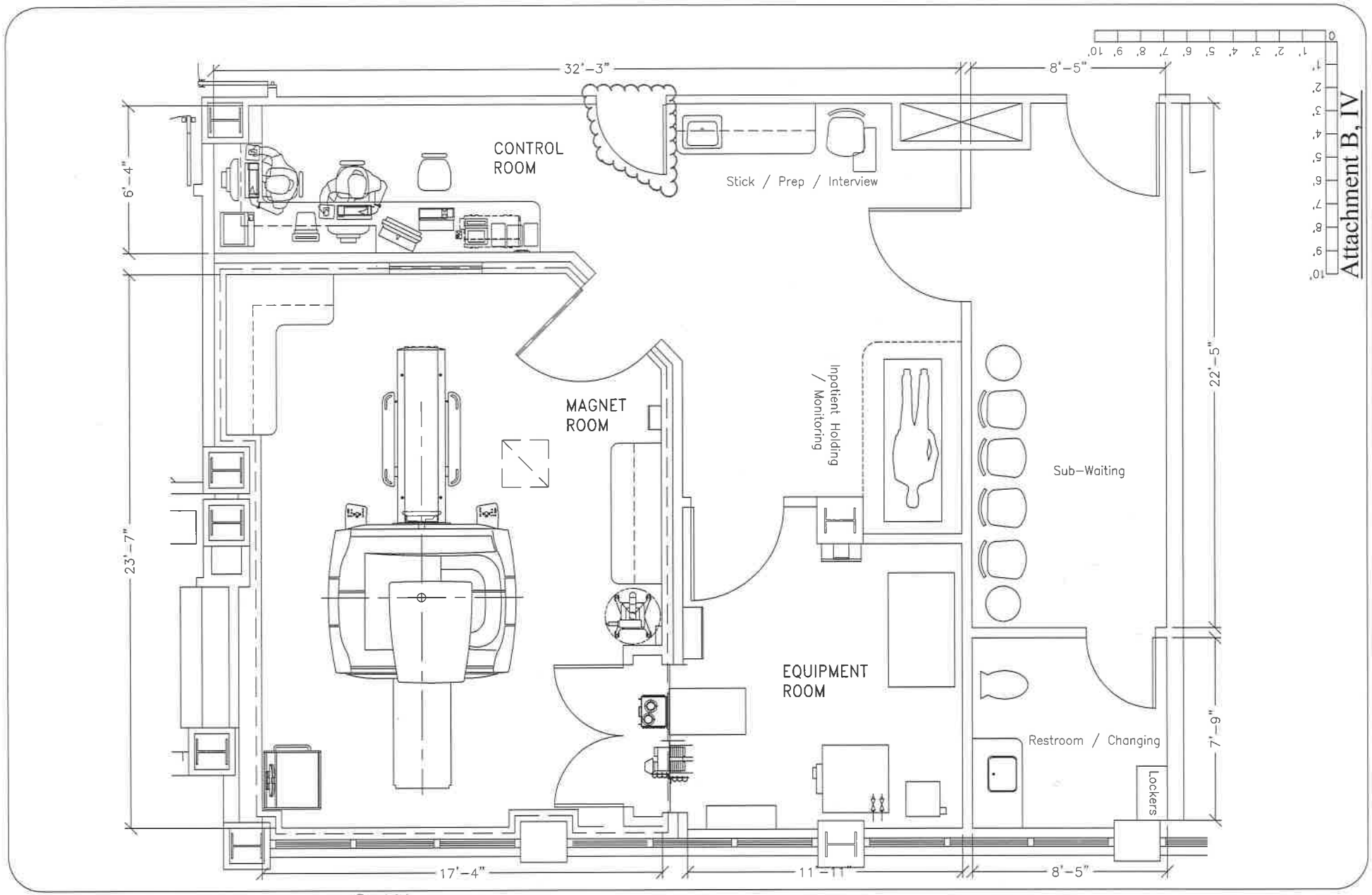
RAGAN•SMITH

LAND PLANNERS • CIVIL ENGINEERS
LANDSCAPE ARCHITECTS • SURVEYORS

RAGAN • SMITH • ASSOCIATES, INC.

Attachment B, III, (A)

Attachment B, III, (A)



PRELIMINARY PLANNING ONLY

PROJECT TITLE:

HCA – Parkridge Medical Center
MR 750w – Hospitalist Area
Chattanooga, TN

SCHEME NO.: 13JSH466 DRAWN BY: JSH DATE: 30.Apr.14

THIS LAYOUT MUST BE APPROVED BEFORE FINAL DRAWINGS CAN BE STARTED. THANK YOU

CUSTOMER _____ DATE: _____

GE INSTALL. SPECIALIST _____ DATE: _____

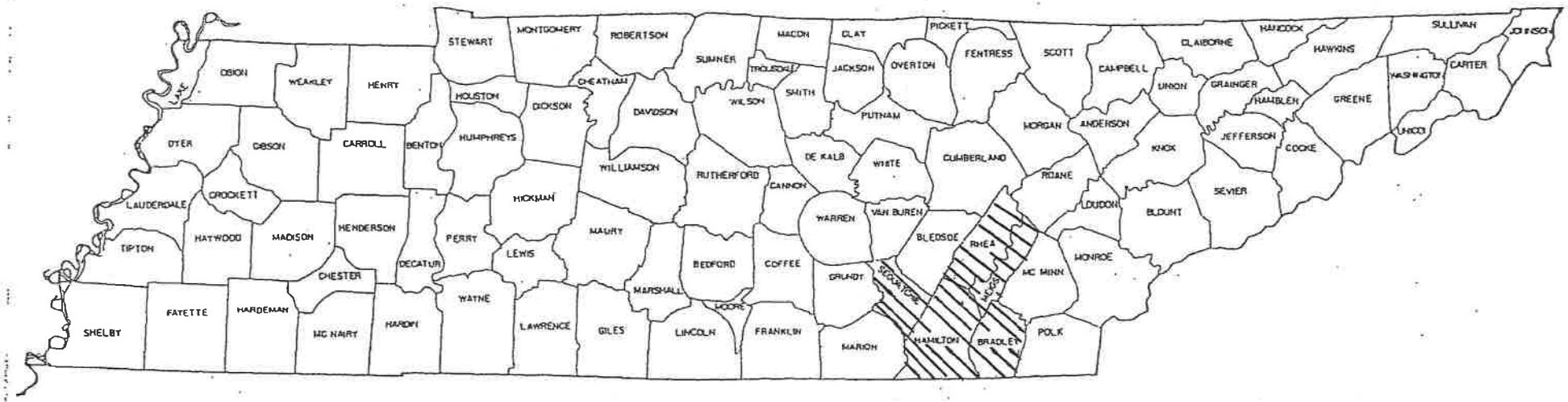
GE Healthcare

Modality Installation Planning

Milwaukee, Wisconsin

SERVICE AREA

PARKRIDGE MEDICAL CENTER



Attachment C, I, Need, 3

POPULATION AND DEMOGRAPHICS OF SERVICE AREA (TENNESSEE COUNTIES)							
Variable	**Bradley County**	**Hamilton County**	**Marion County**	**Meigs County**	**Rhea County**	**Sequatchie County**	**State of Tennessee**
Current Year (2014), Age 65+	16,410	56,269	5,320	2,457	5,982	2,795	981,984
Projected Year (2016), Age 65+*	17,503	59,484	5,630	2,644	6,417	3,046	1,042,071
Age 65+, % Change	6.7%	5.7%	5.8%	7.6%	7.3%	9.0%	6.1%
Age 65+, % Total (PY)	16.6%	17.0%	19.6%	21.2%	18.8%	19.6%	15.5%
CY, Total Population	103,308	347,451	28,556	12,205	33,392	15,019	6,588,698
PY, Total Population	105,418	350,924	28,776	12,445	34,128	15,506	6,710,579
Total Pop. % Change	2.0%	1.0%	0.8%	2.0%	2.2%	3.2%	1.8%
TennCare Enrollees (April, 2014)	18,850	57,298	6,198	2,700	8,090	3,574	1,184,986
TennCare Enrollees as a % of Total Population(CY)	18.2%	16.5%	21.7%	22.1%	24.2%	23.8%	18.0%
Median Age (2010)	38	39	42	43	40	41	38
Median Household Income ('08-'12)	$40,614	$46,544	$39,817	$33,492	$36,470	$33,181	$44,140
Population % Below Poverty Level ('08-'12)	17.8%	16.2%	19,2%	23.3%	22.4%	19.3%	17.3%

Sources: Population, http://health.state.tn.us/statistics/CertNeed.shtml; TennCare enrollment, TennCare Bureau website; Age,TACIR County Profiles website; Income and poverty level, Census Bureau QuickFacts.

\Attachment C, I, Need, 4

MRI UTILIZATION IN SERVICE AREA (TENNESSEE COUNTIES)

County	Type	Provider	2011 # Units	2011 Scans	2012 # Units	2012 Scans	2013 # Units	2013 Scans
Bradley	PO	Cleveland Imaging	(1)	668	(1)	2769	N/A	
Bradley	HOSP	Skyridge Medical Center	(1)	2584	(1)	2499	(1)	2302
Bradley	HOSP	Skyridge Medical Center - Westside	(2)	3214	(2)	2493	(2)	1809
Hamilton	PO	Chattanooga Bone & Joint Surgeons	(1)	1119	(1)	1021	N/A	
Hamilton	ODC	Chattanooga Imaging Downtown	(2)	2044	(2)	2035	No JAR	
Hamilton	RPO	Chattanooga Imaging East	(2)	4552	(1)	2850	N/A	
Hamilton	RPO	Chattanooga Imaging Hixson	(1)	2117	(1)	2230	N/A	
Hamilton	PO	Chattanooga Orthopaedic Group PC	(1)	5698	(1)	5332	N/A	
Hamilton	ODC	Chattanooga Outpatient Center	(1)	6045	(1)	6465	(2)	7302
Hamilton	H-Imaging	Erlanger East Imaging	(1)	1275	(1)	704	(1)	608
Hamilton	HOSP	Erlanger Medical Center	(3)	10730	(3)	10915	(3)	11822
Hamilton	HOSP	Memorial Hixson Hospital	(2)	4048	(2)	2836	(2)	3764
Hamilton	HOSP	Memorial Hospital	(3)	8211	(3)	4096	(3)	8036
Hamilton	H-Imaging	Memorial Ooltewah Imaging Center	(1)	1286	(1)	1050	(1)	1403
Hamilton	PO	Neurosurgical Group of Chattanooga	(1)	1388	(1)	1405	N/A	
Hamilton	HOSP	Parkridge East Hospital	(1)	934	(1)	919	(1)	1031
Hamilton	HOSP	Parkridge Medical Center	(1)	2320	(1)	2496	(1)	2060
Hamilton	RPO	Tennessee Imaging and Vein Center	(1)	2615	(1)	3074	N/A	
Marion	HOSP	Grandview Medical Center	(1)	884	(1)	953	(1)	916
Rhea	HOSP	Rhea Medical Center	(1)	1289	(1)	1530	0	0
Totals not including PO, RPO and 1 non-reporting ODC (2013)*			(18)	48019	(18)	42529	(18)	43355

"PO" Physician Office; "RPO" Radiologist Physician Office

* These providers not included in "Totals" due to the lack of complete data available for 2013.

Source: 2011 & 2012: HSDA Medical Equipment Registry; 2013: Joint Annual Reports.

Attachment C, I, Need, 5

MATTHEW E. KENNEDY

ARCHITECT

12 August 2014

Ms. Melanie Hill
Executive Director
Tennessee Health Services and Development agency
161 Rosa Parks Boulevard
Nashville, TN 37203

RE: Parkridge Medical Center:
MRI Suite Renovation
Chattanooga, Tennessee

Dear Ms. Hill,

Matthew Kennedy, Architect, has reviewed the construction cost estimate provided by EEI Construction. Based on our experience and knowledge of the current healthcare market, it is our opinion that the projected cost of $521,097.00 at ± $434 per S.F. appears to be reasonable for this project type and size.

Below is a summary of the current building codes enforced for this project. This listing may not be entirely inclusive, but the intent is for all applicable codes and standards, State and Local, to be addressed during the design process. The codes in effect at the time of submittal of plans and specifications shall be the codes to be used throughout the project.

- International Building Code
- International Energy Conservation Code
- International Mechanical Code
- International Plumbing Code
- International Fuel Gas Code
- International Fire Code (with local amendments)
- NFPA 101 Life Safety Code
- National Electrical code
- Guidelines for the Design and Construction of Health Care Facilities
- Rules of TN Department of Health Board for Licensing Health Care Facilities

Sincerely,

Matthew E. Kennedy, AIA, NCARB, LEED AP

8215 Roswell Road • Building 100 • Atlanta, Georgia 30350 • (770) 512-7655 • Fax (770) 512-7656

PARKRIDGE
HEALTH SYSTEM

August 13, 2014

Melanie M. Hill
Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, Ninth Floor
502 Deaderick Street
Nashville, TN 37243

Re: Parkridge Medical Center
Certificate of Need for MRI Unit

Dear Ms. Hill:

I serve as Chief Financial Officer for Parkridge Medical Center. Parkridge has filed a certificate of need application for the acquisition of an additional MRI unit. The estimate project cost is $2,968,924.

The funding for this project will be provided through an allocation from HCA, Inc. These funds are available for this purpose.

Please let me know if you have any questions or if additional information is needed.

Sincerely,

Thomas W. Jackson, III
Market Chief Financial Officer

Unit	CDM	Description	Department	Rev Code	HCPCS	HCPCS Q1	CPT	IPCharge	OPCharge	MEDICARE REIMBURSEMENT
31	316575	3D CT/MRI/US/OTH IND	734	610	76377		76377	1,103.75	1,103.75	NO SEP. REIMBURSEMENT PACKAGED
31	316569	3D CT/MRI/US/OTH NOT IND	734	610	76376		76376	934.25	934.25	NO SEP. REIMBURSEMENT PACKAGED
31	326735	CAD LESN DETECT BRST MRI	734	610	00159T			51.75	51.75	NO SEP. REIMBURSEMENT PACKAGED
31	316933	MR GUIDANCE TISSUE ABLAT	734	610	77022		77022	11,808.75	11,808.75	NO SEP. REIMBURSEMENT PACKAGED
31	314914	MRA HD W&WO CONTRAST	734	615	70546		70546	3,631.00	3,631.00	429.33
31	314908	MRA HD W/CONTRAST	734	615	70545		70545	3,461.50	3,461.50	371.47
31	314902	MRA HD W/O CONT	734	615	70544		70544	3,241.00	3,241.00	256.75
31	314949	MRA NECK W&WO CONT	734	615	70549		70549	3,631.00	3,631.00	429.33
31	314934	MRA NECK W/CONTRAST	734	615	70548		70548	3,461.50	3,461.50	371.47
31	314919	MRA NECK W/O CONT	734	615	70547		70547	3,241.00	3,241.00	256.75
31	326116	MRA SPINE W CONT	734	618	C8931		72159	2,791.75	2,791.75	371.47
31	326124	MRA SPINE W WO CON	734	618	C8933		72159	3,408.50	3,408.50	492.92
31	326120	MRA SPINE WO CONT	734	618	C8932		72159	2,191.25	2,191.25	256.75
31	326128	MRA UP EXT W CONT LT	734	610	C8934	LT	73225	2,791.75	2,791.75	371.47
31	326133	MRA UP EXT W CONT RT	734	610	C8934	RT	73225	2,791.75	2,791.75	371.47
31	326138	MRA UP EXT WO CONT LT	734	610	C8935	LT	73225	2,191.25	2,191.25	256.75
31	326143	MRA UP EXT WO CONT RT	734	610	C8935	RT	73225	2,191.25	2,191.25	256.75
31	326149	MRA UP EXT WWO CONT LT	734	610	C8936	LT	73225	3,408.50	3,408.50	429.33
31	326154	MRA UP EXT WWO CONT RT	734	610	C8936	RT	73225	3,408.50	3,408.50	429.33
31	320487	MRA W/CONT ABD	734	618	0C8900		74185	3,461.50	3,461.50	371.47
31	319522	MRA W/CONT CHEST	734	618	0C8909		71555	3,461.50	3,461.50	371.47
31	320454	MRA W/CONT LWR EXT LT	734	616	0C8912	LT	73725	3,688.25	3,688.25	371.47
31	320456	MRA W/CONT LWR EXT RT	734	616	0C8912	RT	73725	3,688.25	3,688.25	371.47
31	320488	MRA W/O CONT ABD	734	618	0C8901		74185	3,241.00	3,241.00	256.75
31	319523	MRA W/O CONT CHEST	734	618	0C8910		71555	3,241.00	3,241.00	256.75
31	320457	MRA W/O CONT LWR EXT LT	734	616	0C8913	LT	73725	3,631.00	3,631.00	256.75
31	320458	MRA W/O CONT LWR EXT RT	734	616	0C8913	RT	73725	3,631.00	3,631.00	256.75
31	320489	MRA W/O FOL W/CONT ABD	734	618	0C8902		74185	3,631.00	3,631.00	429.33
31	319524	MRA W/O FOL W/CONT CHEST	734	618	0C8911		71555	3,631.00	3,631.00	429.33
31	319538	MRA WO FOL W CONT PELVIS	734	618	0C8920		72198	3,631.00	3,631.00	429.33
31	320459	MRA WO W CONT LWR EXT LT	734	616	0C8914	LT	73725	3,799.50	3,799.50	429.33
31	320461	MRA WO W CONT LWR EXT RT	734	616	0C8914	RT	73725	3,799.50	3,799.50	429.33
31	315845	MRI ABDOMEN W&WO CONT	734	610	74183		74183	5,224.00	5,224.00	429.33
31	315837	MRI ABDOMEN W/CONT	734	610	74182		74182	5,004.75	5,004.75	371.47
31	315809	MRI ABDOMEN W/O CONT	734	610	74181		74181	4,818.00	4,818.00	256.75

31	317038	MRI BONE MARROW BLD	734	610	77084		77084	3,109.25	3,109.25	256.75
31	314968	MRI BRAIN W&WO CONT	734	611	70553		70553	5,996.25	5,996.25	429.33
31	314963	MRI BRAIN W/CONTRAST	734	611	70552		70552	4,818.00	4,818.00	371.47
31	314956	MRI BRAIN W/O CONTRAST	734	611	70551		70551	4,818.00	4,818.00	256.75
31	315207	MRI CHEST W&WO CONT	734	610	71552		71552	5,224.00	5,224.00	256.75
31	315202	MRI CHEST W/CONTRAST	734	610	71551		71551	5,004.75	5,004.75	371.47
31	315197	MRI CHEST W/O CONT	734	610	71550		71550	4,818.00	4,818.00	294.78
31	315508	MRI C-SPINE W&W/O CONT	734	612	72156		72156	6,064.25	6,064.25	492.92
31	315463	MRI C-SPINE W/CONTRAST	734	612	72142		72142	4,818.00	4,818.00	426.49
31	315457	MRI C-SPINE W/O CONT	734	612	72141		72141	4,818.00	4,818.00	294.78
31	320379	MRI LOW EXT W&WO CONT LT	734	610	73720 LT		73720	4,050.00	4,050.00	492.92
31	320380	MRI LOW EXT W&WO CONT RT	734	610	73720 RT		73720	4,050.00	4,050.00	492.92
31	320366	MRI LOW EXT W/CONT LT	734	610	73719 LT		73719	3,831.75	3,831.75	426.49
31	320367	MRI LOW EXT W/CONT RT	734	610	73719 RT		73719	3,831.75	3,831.75	426.49
31	322257	MRI LOW EXT W/O CONT LT	734	610	73718 LT		73718	3,579.00	3,579.00	294.78
31	322259	MRI LOW EXT W/O CONT RT	734	610	73718 RT		73718	3,579.00	3,579.00	294.78
31	315527	MRI L-SPINE W&W/O CONT	734	612	72158		72158	6,064.25	6,064.25	492.92
31	315503	MRI L-SPINE W/CONT	734	612	72149		72149	4,818.00	4,818.00	426.49
31	315493	MRI L-SPINE W/O CONT	734	612	72148		72148	4,818.00	4,818.00	294.78
31	319224	MRI LW JNT W WO CONT BI	734	610	73723	50	73723	5,624.00	5,624.00	492.92
31	320425	MRI LW JNT W&WO CONT LT	734	610	73723 LT		73723	4,050.00	4,050.00	492.92
31	320426	MRI LW JNT W&WO CONT RT	734	610	73723 RT		73723	4,050.00	4,050.00	492.92
31	320408	MRI LW JNT W/CONTRAST LT	734	610	73722 LT		73722	3,831.75	3,831.75	426.49
31	320409	MRI LW JNT W/CONTRAST RT	734	610	73722 RT		73722	3,831.75	3,831.75	426.49
31	320397	MRI LW JNT W/O CONT LT	734	610	73721 LT		73721	3,579.00	3,579.00	294.78
31	320398	MRI LW JNT W/O CONT RT	734	610	73721 RT		73721	3,579.00	3,579.00	294.78
31	314892	MRI OR/FCE/NCK W&WO	734	611	70543		70543	4,050.00	4,050.00	492.92
31	314886	MRI OR/FCE/NCK W/CONT	734	611	70542		70542	3,831.75	3,831.75	426.49
31	314879	MRI OR/FCE/NCK W/O CONT	734	611	70540		70540	3,579.00	3,579.00	256.75
31	315633	MRI PELVIS W&WO CONT	734	612	72197		72197	5,004.75	5,004.75	429.33
31	315622	MRI PELVIS W/CONTRAST	734	612	72196		72196	4,818.00	4,818.00	371.47
31	315617	MRI PELVIS W/O CONT	734	612	72195		72195	4,419.25	4,419.25	256.75
31	314723	MRI TMJ	734	610	70336		70336	3,109.25	3,109.25	256.75
31	315515	MRI T-SPINE W&W/O CONT	734	612	72157		72157	6,064.25	6,064.25	429.33
31	315484	MRI T-SPINE W/CONTRAST	734	612	72147		72147	4,818.00	4,818.00	371.47
31	315469	MRI T-SPINE W/O CONT	734	612	72146		72146	4,818.00	4,818.00	256.75
31	319132	MRI UP EX W WO CONT BI	734	610	73220	50	73220	5,624.00	5,624.00	492.92

31	319838	MRI UP EX W&WO CONT LT	734	610	73220	LT		73220	4,050.00	4,050.00	492.92
31	319839	MRI UP EX W&WO CONT RT	734	610	73220	RT		73220	4,050.00	4,050.00	492.92
31	319147	MRI UP JNT W WO CONT BI	734	610	73223		50	73223	5,624.00	5,624.00	492.92
31	319873	MRI UP JNT W&WO CONT LT	734	610	73223	LT		73223	4,050.00	4,050.00	492.92
31	319874	MRI UP JNT W&WO CONT RT	734	610	73223	RT		73223	4,050.00	4,050.00	492.92
31	319863	MRI UP JNT W/CONT LT	734	610	73222	LT		73222	3,831.75	3,831.75	371.47
31	319864	MRI UP JNT W/CONT RT	734	610	73222	RT		73222	3,831.75	3,831.75	371.47
31	319851	MRI UP JNT W/O CONT LT	734	610	73221	LT		73221	3,579.00	3,579.00	256.75
31	319852	MRI UP JNT W/O CONT RT	734	610	73221	RT		73221	3,579.00	3,579.00	256.75
31	319828	MRI UPPER EX W/CONT LT	734	610	73219	LT		73219	3,831.75	3,831.75	371.47
31	319829	MRI UPPER EX W/CONT RT	734	610	73219	RT		73219	3,831.75	3,831.75	371.47
31	319818	MRI UPPER EX W/O CONT LT	734	610	73218	LT		73218	3,579.00	3,579.00	256.75
31	319819	MRI UPPER EX W/O CONT RT	734	610	73218	RT		73218	3,579.00	3,579.00	256.75
31	320674	MRI W/CONT BREAST BI	734	610	0C8906			77059	5,622.50	5,622.50	371.47
31	320647	MRI W/CONT BREAST UNI LT	734	610	0C8903	LT		77058	4,402.00	4,402.00	371.47
31	320648	MRI W/CONT BREAST UNI RT	734	610	0C8903	RT		77058	4,402.00	4,402.00	371.47
31	320675	MRI W/O CONT BREAST BI	734	610	0C8907			77059	5,556.50	5,556.50	256.75
31	320649	MRI W/O CONT BRST UNI LT	734	610	0C8904	LT		77058	4,242.25	4,242.25	256.75
31	320651	MRI W/O CONT BRST UNI RT	734	610	0C8904	RT		77058	4,242.25	4,242.25	256.75
31	320676	MRI WO FOL W/CON BRST BI	734	610	0C8908			77059	5,739.00	5,739.00	429.33
31	320652	MRI WO FOL WCON BR UN LT	734	610	0C8905	LT		77058	4,488.50	4,488.50	429.33
31	320653	MRI WO FOL WCON BR UN RT	734	610	0C8905	RT		77058	4,488.50	4,488.50	429.33
									$4,071.97	**$4,071.97**	**$369.72**

(Stated in 1,000s)

Z00031 - Parkridge Medical Center

Dec - 2013

All Entities

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Report ID: ALCFS008

Financial Statements - Income Statement

Month							All Department Num	Year to Date						
Actual	Budget	Bud Var	Var %	Prior Year	PY Var	Var %		Actual	Budget	Bud Var	Var %	Prior Year	PY Var	Var %
							REVENUES							
5,470	6,003	(527)	-8.78%	5,908	(433)	-7.32%	Inpatient Revenue Routine Services	70,453	70,810	(356)	-0.50%	68,784	1,669	2.43%
35,764	40,490	(4,727)	-11.67%	34,083	1,681	4.93%	Inpatient Revenue Ancillary Services	425,031	453,231	(28,200)	-6.22%	394,693	30,338	7.69%
41,239	46,493	(5,254)	-11.30%	39,991	1,248	3.12%	Inpatient Gross Revenue	495,484	524,041	(28,558)	-5.45%	463,478	32,007	6.91%
34,271	38,160	(3,889)	-10.19%	31,455	2,817	8.95%	Outpatient Gross Revenue	386,774	428,418	(41,644)	-9.72%	377,108	9,666	2.56%
75,511	84,653	(9,142)	-10.80%	71,445	4,065	5.69%	Total Patient Revenue	882,258	952,458	(70,200)	-7.37%	840,585	41,673	4.96%
39	77	(39)	-49.81%	57	(19)	-32.39%	Other Revenue	647	954	(307)	-32.16%	916	(269)	-29.37%
75,549	84,730	(9,181)	-10.84%	71,503	4,047	5.66%	Gross Revenue	882,905	953,412	(70,507)	-7.40%	841,502	41,403	4.92%
							DEDUCTIONS							
23,202	29,962	(6,760)	-22.56%	24,670	(1,468)	-5.95%	Total CY CA - Medicare (1,2)	303,531	329,352	(25,821)	-7.84%	291,491	12,039	4.13%
(128)	639	(767)	-120.05%	753	(881)	-116.99%	Total CY CA - Medicaid (3)	7,047	7,397	(349)	-4.72%	6,403	645	10.07%
512	479	33	6.90%	316	196	62.22%	Total CY CA - Champus (6)	4,916	5,370	(454)	-8.45%	4,689	226	4.83%
(4)		(4)		(2,442)	2,439	99.85%	Prior Year Contractuals	(6,095)	(3,089)	(3,007)	-97.35%	(5,916)	(179)	-3.03%
27,914	31,342	(3,428)	-10.94%	23,774	4,140	17.41%	Total CY CA - Mgd Care (7,8,9,12,13,14)	317,023	346,683	(30,660)	-8.85%	295,685	22,136	7.49%
(129)	636	(965)	-115.39%	(240)	111	46.42%	Charity	5,413	9,471	(4,060)	-42.87%	6,524	(1,113)	-17.06%
2,715	886	1,829	206.41%	3,124	(409)	-13.07%	Bad Debt	16,869	14,100	2,769	19.64%	10,534	6,335	60.13%
5,092	3,907	1,185	30.33%	2,250	2,841	126.25%	Other Deductions	40,331	47,344	(7,013)	-14.81%	42,535	(2,204)	-5.18%
59,174	68,050	(8,876)	-13.04%	52,204	6,971	13.35%	Total Revenue Deductions (Incl Bad Debt)	699,832	758,627	(58,795)	-9.07%	651,946	37,886	5.81%
16,375	16,680	(305)	-1.83%	19,299	(2,924)	-15.15%	Cash Revenue	193,073	194,785	(1,712)	-0.88%	189,556	3,517	1.86%
							OPERATING EXPENSES							
3,740	4,027	(287)	-7.13%	3,705	35	0.95%	Salaries and Wages	45,846	46,118	(271)	-0.59%	44,147	1,701	3.85%
205	217	(12)	-5.38%	224	(19)	-8.60%	Contract Labor	2,615	2,587	48	1.87%	2,741	(126)	-4.59%
844	1,210	(366)	-30.29%	1,184	(340)	-28.73%	Employee Benefits	13,461	14,572	(1,111)	-7.62%	13,880	(419)	-3.02%
4,332	3,784	548	14.48%	3,842	490	12.75%	Supply Expense	46,535	45,320	1,216	2.68%	44,878	1,657	3.69%
101	114	(13)	-11.07%	177	(75)	-42.57%	Professional Fees	1,825	1,367	458	33.50%	1,303	521	39.98%
1,260	1,242	18	1.47%	1,612	(352)	-21.82%	Contract Services	15,279	15,003	276	1.84%	15,064	215	1.42%
379	324	54	16.66%	405	(26)	-6.42%	Repairs and Maintenance	3,881	3,868	13	0.33%	4,096	(215)	-5.25%
62	86	(24)	-28.14%	82	(20)	-24.19%	Rents and Leases	759	1,033	(275)	-26.58%	984	(226)	-22.93%
143	155	(12)	-7.69%	130	13	9.59%	Utilities	1,834	2,017	(183)	-9.09%	1,963	(128)	-6.53%
(152)	(132)	(20)	15.07%	(57)	(95)	-166.36%	Insurance	1,335	1,355	(20)	-1.47%	1,580	254	73.57%
							Investment Income							
64	70	(6)	-8.60%	65	0	-0.37%	Non-Income Taxes	777	844	(67)	-7.89%	774	3	0.40%
264	157	107	68.44%	142	122	86.03%	Other Operating Expense	2,298	1,971	327	16.57%	1,938	359	18.54%
11,242	11,265	(12)	-0.11%	11,510	(267)	-2.32%	Cash Expense	136,446	136,035	411	0.30%	132,850	3,596	2.71%
5,132	5,425	(293)	-5.40%	7,789	(2,657)	-34.11%	EBITDA	56,627	58,750	(2,123)	-3.61%	56,706	(79)	-0.14%
							CAPITAL AND OTHER COSTS							
466	387	79	20.52%	454	12	2.59%	Depreciation & Amortization	5,437	5,003	434	8.68%	6,352	(916)	-14.41%
							Other Non-Operating Expenses							
(644)	(405)	(238)	58.73%	(506)	(138)	-27.23%	Interest Expense	(5,840)	(4,867)	(973)	-40.04%	(5,140)	(700)	-13.65%
1,306	1,263	43	3.38%	(596)	1,903	319.00%	Mgmt Fees and Markup Cost	13,453	15,217	(1,764)	-11.59%	11,037	2,416	21.89%
							Minority Interest							
1,129	1,245	(116)	-9.32%	(648)	1,777	274.21%	Total Capital and Others	12,049	15,352	(3,303)	-21.51%	12,249	(199)	-1.61%
4,004	4,181	(177)	-4.23%	8,437	(4,433)	-52.55%	Pretax Income	44,578	43,398	1,180	2.72%	44,457	122	0.27%
							TAXES ON INCOME							
							Federal Income Taxes							
							State Income Taxes							
							Total Taxes on Income							
4,004	4,181	(177)	-4.23%	8,437	(4,433)	-52.55%	Net Income	44,578	43,398	1,180	2.72%	44,457	122	0.27%

Month				Year to Date		
Begin	Change	Ending		Begin	Change	Ending
			CURRENT ASSETS			
139,681	-136,883	2,798	Cash & Cash Equivalents	87,165	-84,367	2,798
			Marketable Securities			
			PATIENT ACCOUNTS RECEIVABLES			
21,731,424	741,237	22,472,661	Patient Receivables	16,031,166	6,441,495	22,472,661
			Less Allow for Govt Receivables			
-20,070,476	-2,110,234	-22,180,710	Less Allow - Bad Debt	-15,635,570	-6,545,140	-22,180,710
1,660,948	-1,368,997	291,951	Net Patient Receivables	395,596	-103,645	291,951
			FINAL SETTLEMENTS			
768,039	3,754	771,793	Due to/from Govt Programs	2,950,133	-2,178,340	771,793
			Allowances Due Govt Programs			
768,039	3,754	771,793	Net Final Settlements	2,950,133	-2,178,340	771,793
2,428,987	-1,365,243	1,063,744	Net Accounts Receivables	3,345,729	-2,281,985	1,063,744
7,099,987	25,181	7,125,168	Inventories	6,506,312	618,856	7,125,168
542,802	-20	542,782	Prepaid Expenses	2,933,932	-2,391,150	542,782
26,968	-13,976	12,992	Other Receivables	-2,197	15,189	12,992
10,238,425	-1,490,941	8,747,484	Total Current Assets	12,870,941	-4,123,457	8,747,484
			PROPERTY, PLANT & EQUIPMENT			
6,462,631	0	6,462,631	Land	6,462,631	0	6,462,631
37,743,642	60,631	37,804,273	Bldgs & Improvements	36,533,250	1,271,023	37,804,273
99,327,274	468,684	99,795,958	Equipment - Owned	94,403,875	5,392,083	99,795,958
689,549	0	689,549	Equipment - Capital Leases	689,549	0	689,549
140,753	-140,753		Construction in Progress	510,199	-510,199	
144,363,849	388,562	144,752,411	Gross PP&E	138,599,504	6,152,907	144,752,411
-106,402,108	-403,860	-106,805,968	Less Accumulated Depreciation	-101,981,663	-4,824,305	-106,805,968
37,961,741	-15,298	37,946,443	Net PP&E	36,617,841	1,328,602	37,946,443
			OTHER ASSETS			
			Investments			
0	0	0	Notes Receivable	0	0	0
12,199,885	0	12,199,885	Intangible Assets - Net	12,199,885	0	12,199,885
			Investments in Subsidiaries			
			Other Assets			
12,199,885	0	12,199,885	Total Other Assets	12,199,885	0	12,199,885
60,400,051	-1,506,239	58,893,812	Grand Total Assets	61,688,667	-2,794,855	58,893,812
			CURRENT LIABILITIES			
5,516,870	-612,499	4,904,371	Accounts Payable	7,456,333	-2,551,891	4,904,442
3,952,762	298,383	4,251,145	Accrued Salaries	4,548,628	-297,483	4,251,145
1,048,283	10,129	1,058,412	Accrued Expenses	1,053,839	4,573	1,058,412
			Accrued Interest			
			Distributions Payable			
114,171	0	114,171	Curr Port - Long Term Debt	114,171	0	114,171
			Other Current Liabilities			
			Income Taxes Payable			
10,632,086	-303,987	10,328,099	Total Current Liabilities	13,172,971	-2,844,801	10,328,170
			LONG TERM DEBT			
34,753	0	34,753	Capitalized Leases	162,271	-127,518	34,753
-148,502,045	-5,204,535	-153,706,580	Inter/Intra Company Debt	-126,756,640	-26,949,940	-153,706,580
			Other Long Term Debts			
-148,467,292	-5,204,535	-153,671,827	Total Long Term Debts	-126,594,369	-27,077,458	-153,671,827
			DEFFERED CREDITS AND OTHER LIAB			
			Professional Liab Risk			
			Deferred Incomes Taxes			
102,533	-1,412	101,121	Long-Term Obligations	128,796	-27,675	101,121
102,533	-1,412	101,121	Total Other Liabilities & Def	128,796	-27,675	101,121
			EQUITY			
2,000	0	2,000	Common Stock - par value	2,000	0	2,000
6,593,334	0	6,593,334	Capital in Excess of par value	6,593,334	0	6,593,334
150,963,317	0	150,963,317	Retained Earnings - current yr	195,541,016	0	195,541,016
40,574,073	4,003,695	44,577,768	Net Income Current Year			
			Distributions			
			Other Equity			
198,132,724	4,003,695	202,136,419	Total Equity	174,981,289	27,155,079	202,136,348
60,400,051	-1,506,239	58,893,812	Total Liabilities and Equity	61,688,667	-2,794,855	58,893,812

Board for Licensing Health Care Facilities

State of Tennessee

0000000066

No. of Beds 0621

DEPARTMENT OF HEALTH

This is to certify, that a license is hereby granted by the State Department of Health to

PARKRIDGE MEDICAL CENTER, INC. *to conduct and maintain a*

Hospital PARKRIDGE MEDICAL CENTER, INC.

Located at 2333 MCCALLIE AVENUE, CHATTANOOGA

County of HAMILTON *, Tennessee.*

This license shall expire FEBRUARY 20 *,* 2015 *, and is subject to the provisions of Chapter 11, Tennessee Code Annotated. This license shall not be assignable or transferable, and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder.*

In Witness Whereof, we have hereunto set our hand and seal of the State this 20TH *day of* FEBRUARY *,* 2014 *.*

In the Distinct Category(ies) of: GENERAL HOSPITAL
PEDIATRIC BASIC HOSPITAL

By Vincent J. Davis, MPH
DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

By [signature]
COMMISSIONER

DCF011

Attachment C, III. Orderly Development, 7

Department of Health & Human Services
Centers for Medicare & Medicaid Services
61 Forsyth Street, SW, Suite 4T20
Atlanta, Georgia 30303-8909

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES
OFFICE OF CLINICAL STANDARDS & QUALITY

Ref: Parkridge Medical Center 44-0156

Important Notice, Read Carefully

Darrell Moore
Administrator
Parkridge Medical Center
2333 McCallie Ave
Chattanooga, TN 37404

RE: CMS Certification Number (CCN) 44-0156 – (Validation Survey)

Dear Mr. Moore:

Based on a report by the Tennessee State Survey Agency we are pleased to inform you that as a result of the validation survey, conducted July 7 – 9, 2014, Parkridge Medical Center was found to be in compliance with all Medicare Conditions of Participation; and, will continue to be "deemed" to meet applicable Medicare requirements based upon accreditation by The Joint Commission.

Enclosed is a listing of the standard level deficiencies found by the Tennessee State Survey Agency. Since your hospital has been found in compliance, you are not required to submit a plan for correcting the Medicare deficiencies. However, under Federal disclosure rules, a copy of the findings of this Medicare survey may be publicly disclosed within 90 days of the completion. Also, correcting the k-tags as well as the A-tags are important tasks that you should complete. Therefore, you may wish to submit a plan of correction to the Tennessee State Survey Agency for public disclosure.

We have forwarded a copy of this letter and the findings from this survey to The Joint Commission for its review. The Joint Commission may contact you to discuss the Medicare survey findings. We thank you for your cooperation and look forward to working with you on a continuing basis in the administration of the Medicare program. If you have questions, please contact Rosemary L. Robinson at (404) 562-7405.

Sincerely,

for Sandra M. Pace
Associate Regional Administrator
Division of Survey and Certification

Cc: State Agency
The Joint Commission

The Joint Commission

July 23, 2014

Darrell Moore
President/CEO
Parkridge Medical Center, Inc.
2333 McCallie Avenue
Chattanooga, TN 37404

Joint Commission ID #: 7815
Program: Hospital Accreditation
Accreditation Activity: 60-day Evidence of Standards Compliance
Accreditation Activity Completed: 07/17/2014

Dear Mr. Moore:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning May 17, 2014. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit Quality Check® on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Mark Pelletier

Mark G.Pelletier, RN, MS

Chief Operating Officer

Division of Accreditation and Certification Operations

The Joint Commission

July 23, 2014

Re: # 7815
CCN: #440156
Program: Hospital
Accreditation Expiration Date: May 17, 2017

Darrell Moore
President/CEO
Parkridge Medical Center, Inc.
2333 McCallie Avenue
Chattanooga, Tennessee 37404

Dear Mr. Moore:

This letter confirms that your May 13, 2014 - May 16, 2014 unannounced full resurvey was conducted for the purposes of assessing compliance with the Medicare conditions for hospitals through The Joint Commission's deemed status survey process.

Based upon the submission of your evidence of standards compliance on June 30, 2014 and July 15, 2014, The Joint Commission is granting your organization an accreditation decision of Accredited with an effective date of May 17, 2014.

The Joint Commission is also recommending your organization for continued Medicare certification effective May 17, 2014. Please note that the Centers for Medicare and Medicaid Services (CMS) Regional Office (RO) makes the final determination regarding your Medicare participation and the effective date of participation in accordance with the regulations at 42 CFR 489.13. Your organization is encouraged to share a copy of this Medicare recommendation letter with your State Survey Agency.

This recommendation applies to the following location(s):

Grandview Medical Center
d/b/a Parkridge Medical Center, Inc.
1000 Highway 28, Jasper, TN, 37347

Intensive Outpatient Program
d/b/a Parkridge Medical Center, Inc.
2775 Executive Park, Cleveland, TN, 37311

Parkridge East Hospital
d/b/a Parkridge Medical Center, Inc.
941 Spring Creek Road, Chattanooga, TN, 37412

The Joint Commission

Parkridge Medical Center
d/b/a Parkridge Medical Center, Inc.
2333 McCallie Avenue, Chattanooga, TN, 37404

Parkridge Sleep Disorders Center
d/b/a Parkridge Medical Center, Inc.
2205 McCallie Avenue, Chattanooga, TN, 37404

Parkridge Valley Hospital - Adult and Senior Campus
d/b/a Parkridge Medical Center, Inc.
7351 Courage Way, Chattanooga, TN, 37421

Parkridge Valley Hospital - Child and Adolescent Campus
d/b/a Parkridge Medical Center, Inc.
2200 Morris Hill Road, Chattanooga, TN, 37421

We direct your attention to some important Joint Commission policies. First, your Medicare report is publicly accessible as required by the Joint Commission's agreement with the Centers for Medicare and Medicaid Services. Second, Joint Commission policy requires that you inform us of any changes in the name or ownership of your organization, or health care services you provide.

Sincerely,

Mark Pelletier

Mark G. Pelletier, RN, MS
Chief Operating Officer
Division of Accreditation and Certification Operations

cc: CMS/Central Office/Survey & Certification Group/Division of Acute Care Services
CMS/Regional Office 4 /Survey and Certification Staff

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF HAMILTON

JIM COLEMAN, JR, being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.

Jim Coleman Jr C.O.O.
SIGNATURE/TITLE

Sworn to and subscribed before me this 04 day of August, 2014 a Notary Public in and for Hamilton County, Tennessee.

Angela B. Chapman
NOTARY PUBLIC

My commission expires 04/20 (Month/Day), 2016 (Year).

ANGELA B. CHAPMAN
STATE OF TENNESSEE NOTARY PUBLIC
HAMILTON COUNTY

State of Tennessee
Health Services and Development Agency
Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

September 1, 2014

Jerry W. Taylor, Esq.
Stites & Harbinson, PLLC
SunTrust Plaza
401 Commerce Street, Suite 800
Nashville, TN 37219

RE: Certificate of Need Application -- Parkridge Medical Center, Inc. - CN1408-035

Dear Mr. Taylor:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need for the acquisition of a second Magnetic Resonance Imaging (MRI) unit for installation and use in 1,202 square feet of renovated space on the main campus of Parkridge Medical Center (PMC) campus at 2333 McCallie Avenue, Chattanooga (Hamilton County), TN. No new beds or changes in services are involved in the project. Project cost is $2,968,942.00.

Please be advised that your application is now considered to be complete by this office. Your application is being forwarded to the Tennessee Department of Health and/or its representative for review.

In accordance with Tennessee Code Annotated, §68-11-1601, et seq., as amended by Public Chapter 780, the 60-day review cycle for this project will begin on September 1, 2014. The first sixty (60) days of the cycle are assigned to the Department of Health, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the sixty (60) day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review within the thirty (30)-day period immediately following. You will receive a copy of their findings. The Health Services and Development Agency will review your application on November 19, 2014.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

(1) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.

(2) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have questions or require additional information, please contact me.

Sincerely,

Melanie M. Hill
Executive Director

MMH:mab

cc: Trent Sansing, CON Director, Division of Health Statistics

State of Tennessee
Health Services and Development Agency
Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

MEMORANDUM

TO: Trent Sansing, CON Director
Office of Policy, Planning and Assessment
Division of Health Statistics
Andrew Johnson Tower, 2nd Floor
710 James Robertson Parkway
Nashville, Tennessee 37243

FROM: Melanie M. Hill
Executive Director

DATE: September 1, 2014

RE: Certificate of Need Application
Parkridge Medical Center, Inc. - CN1408-035

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a sixty (60) day review period to begin on September 1, 2014 and end on November 1, 2014.

Should there be any questions regarding this application or the review cycle, please contact this office.

MMH:mab

Enclosure

cc: Jerry W. Taylor, Esq.

LETTER OF INTENT
TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

The Publication of Intent is to be published in the Chattanooga Times Free Press, which is a newspaper of general circulation in Hamilton County, Tennessee, on or before August 10, 2014 for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.,* and the Rules of the Health Services and Development Agency, that Parkridge Medical Center, owned and managed by Parkridge Medical Center, Inc., intends to file an application for a Certificate of Need for the acquisition of a 3.0 Tesla Magnetic Resonance Imaging unit for installation and use on its main campus, located at 2333 McCallie Avenue, Chattanooga, Hamilton County, Tennessee. Parkridge Medical Center is licensed as a general acute care hospital by the Tennessee Board for Licensing Health Care Facilities. No additional beds or changes in services are involved in this project. The estimated project cost is not to exceed $3,000,000.00.

The anticipated date of filing the application is August 15, 2014.

The contact person for this project is Jerry W. Taylor, Attorney, who may be reached at: Stites & Harbison, PLLC, SunTrust Plaza, Suite 800, 401 Commerce Street, Suite 800, Nashville, Tennessee, 37219, 615-782-2228, jerry.taylor@stites.com.

Signature

8-8-14
Date

==========

The published Letter of Intent contains the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

==========

COPY-
SUPPLEMENTAL-1

Parkridge Medical Center
CN1408-035

SUPPLEMENTAL RESPONSES

CERTIFICATE OF NEED APPLICATION

FOR

PARKRIDGE MEDICAL CENTER

Acquisition of 3.0 Tesla MRI

Project No. CN1408-035

Hamilton County, Tennessee

August 28, 2014

Contact Person:

Jerry W. Taylor, Esq.
Stites & Harbison, PLLC
401 Commerce Street, Suite 800
Nashville, Tennessee 37219
615-782-2228

SUPPLEMENTAL- # 1
August 28, 2014
2:40pm

1. **Section A, Applicant Profile, Item 4 (ownership)**

   In Section B, page 4 and related attachments of the application (organizational chart), the applicant states that the parent company is affiliated with HCA and a part of the Tri-Star Health System. It appears that the applicant has documented the owner's interest in any other health care institutions in Tennessee as defined in TCA €68-11-1602. It would be helpful to also include a list with the name, address, current status of licensure for each health care institution identified. Of these, please note the hospitals or ODCs, etc. that have existing MRI units (fixed units/mobile units). Please also identify any facilities with pending or outstanding Certificate of Need projects involving MRI services.

   The requested information is reflected in the table attached following this response.

Name of Facility, address, phone	Owner/Administrator info	Licensure info	MRI Services	MRI/CON projects pending
TRISTAR SUMMIT MEDICAL CENTER	Administrator: JEFFREY T. WHITEHORN	Facility License Number: 00000033	1.5 Tesla	n/a
5655 FRIST BOULEVARD	Owner Information:	Status: Licensed		
HERMITAGE , TN 37076	HCA HEALTH SERVICES OF TENNESSEE, INC.	Number of Beds: 0188		
Attn: JEFFREY T. WHITEHORN	5655 FRIST BLVD.	Date of Last Survey: 09/27/2006		
(615) 316-4902	HERMITAGE, TN 37076	Accreditation Expires: 05/25/2015		
	(615) 316-4902	Date of Original Licensure: 07/01/1992		
		Date of Expiration: 04/20/2015		
TRISTAR STONECREST MEDICAL CENTER	Administrator: Louis F. Caputo, CEO	Facility License Number: 00000162	1.5 Tesla	n/a
200 STONECREST BOULEVARD	Owner Information:	Status: Licensed		
SMYRNA , TN 37167	HCA HEALTH SERVICES OF TENNESSEE, INC.	Number of Beds: 0109		
Attn: LOUIS F. CAPUTO, CEO	ONE PARK PLAZA	Date of Last Survey: 12/06/2006		
(615) 768-2000	NASHVILLE, TN 37203	Accreditation Expires: 04/18/2016		
	(615) 344-9551	Date of Original Licensure: 11/20/2003		
		Date of Expiration: 05/01/2015		
TRISTAR SOUTHERN HILLS MEDICAL CENTER	Administrator: THOMAS H. OZBURN	Facility License Number: 00000021	1.5 Tesla	n/a
391 WALLACE ROAD	Owner Information:	Status: Licensed		
NASHVILLE , TN 37211	HCA HEALTH SERVICES OF TENNESSEE, INC.	Number of Beds: 0126		
Attn: THOMAS H. OZBURN	391 WALLACE ROAD	Date of Last Survey: 09/06/2006		
(615) 781-4000	NASHVILLE, TN 37211	Accreditation Expires: 06/13/2016		
	(615) 781-4000	Date of Original Licensure: 07/01/1992		
		Date of Expiration: 01/01/2015		
TRISTAR SKYLINE MADISON CAMPUS	Administrator: STEVE OTTO	Facility License Number: 00000023	pscyh facility; no MRI services offered	n/a
500 HOSPITAL DRIVE	Owner Information:	Status: Licensed		
MADISON , TN 37115	HTI MEMORIAL HOSPITAL CORPORATION	Date of Last Survey: 09/21/2011		
Attn: MICHAEL W. GARFIELD	3441 DICKERSON PIKE	Accreditation Expires: 08/16/2016		
(615) 769-5000	NASHVILLE, TN 37207	Date of Original Licensure: 07/01/1992		
	(615) 769-2000	Date of Expiration: 07/01/2015		
	This Facility is an Affiliate of:			
	TRISTAR SKYLINE MEDICAL CENTER			
	3441 DICKERSON PIKE			
	NASHVILLE , TN 37207			
TRISTAR SKYLINE MEDICAL CENTER	Administrator: STEVE OTTO	Facility License Number: 00000023	1.5 Tesla (2 machines)	n/a
3441 DICKERSON PIKE	Owner Information:	Status: Licensed		
NASHVILLE , TN 37207	HTI MEMORIAL HOSPITAL CORPORATION	Number of Beds: 0385		
Attn: STEVE OTTO	3441 DICKERSON PIKE	Date of Last Survey: 09/21/2011		
(615) 769-2000	NASHVILLE, TN 37207	Accreditation Expires: 08/16/2016		
	(615) 769-2000	Date of Original Licensure: 07/01/1992		
		Date of Expiration: 07/01/2015		
TRISTAR HORIZON MEDICAL CENTER	Administrator: JOHN A. MARSHALL	Facility License Number: 00000029	1.5 Tesla (2 machines)	n/a
111 HIGHWAY 70 EAST	Owner Information:	Status: Licensed		
DICKSON , TN 37055	CENTRAL TENNESSEE HOSPITAL CORPORATION	Number of Beds: 0157		
Attn: JOHN A. MARSHALL	111 HWY 70 EAST	Date of Last Survey: 06/04/2008		
(615) 446-0446	DICKSON, TN 37055	Accreditation Expires: 06/01/2016		
	(615) 446-0446	Date of Original Licensure: 07/01/1992		
		Date of Expiration: 05/12/2015		
TRISTAR PORTLAND ER	Administrator: REGINA BARTLETT	Facility License Number: 00000135	1.5 Tesla (mobile unit)	n/a
105 REDBUD DRIVE	Owner Information:	Status: Licensed	Mobile MRI services provided 1 day a week	
PORTLAND , TN 37148	HENDERSONVILLE HOSPITAL CORPORATION	Date of Last Survey: 08/28/2008	Alliance Healthcare - Imaging	

Attn: EDWARD A. SMITH	ONE PARK PLAZA	Accreditation Expires: 03/08/2016		
(615) 325-7301	NASHVILLE, TN 37203	Date of Original Licensure: 07/01/1992		
	(615) 344-9551	Date of Expiration: 09/17/2014		
	This Facility is an Affiliate of:			
	TRISTAR HENDERSONVILLE MEDICAL CENTER			
	355 NEW SHACKLE ISLAND ROAD			
	HENDERSONVILLE , TN 37075			
TRISTAR HENDERSONVILLE MEDICAL CENTER	Administrator: REGINA BARTLETT	Facility License Number: 00000135	1.5 Tesla (2 machines)	n/a
355 NEW SHACKLE ISLAND ROAD	Owner Information:	Status: Licensed		
HENDERSONVILLE , TN 37075	HENDERSONVILLE HOSPITAL CORPORATION	Number of Beds: 0148		
Attn: REGINA BARTLETT	ONE PARK PLAZA	Date of Last Survey: 08/28/2008		
(615) 338-1000	NASHVILLE, TN 37203	Accreditation Expires: 03/08/2016		
	(615) 344-9551	Date of Original Licensure: 07/01/1992		
		Date of Expiration: 09/17/2014		
TRISTAR CENTENNIAL MEDICAL CENTER	Administrator: HEATHER J. ROHAN, FACHE	Facility License Number: 00000136	1.5 Tesla (2 machines)	n/a
2300 PATTERSON STREET	Owner Information:	Status: Licensed	3.0 Tesla	
NASHVILLE , TN 37203	HCA HEALTH SERVICES OF TENNESSEE, INC.	Number of Beds: 0657		
Attn: HEATHER J. ROHAN, FACHE	ONE PARK PLAZA	Date of Last Survey: 06/29/2011		
(615) 342-1000	NASHVILLE, TN 37203	Accreditation Expires: 11/12/2013		
	(615) 344-2162	Date of Original Licensure: 07/01/1992		
		Date of Expiration: 09/25/2014		
TRISTAR ASHLAND CITY MEDICAL CENTER	Administrator: DARRELL WHITE	Facility License Number: 00000013	1.5 Tesla (mobile unit)	n/a
313 NORTH MAIN STREET	Owner Information:	Status: Licensed	mobile MRI services provided 1 day per week	
ASHLAND CITY , TN 37015	HCA HEALTH SERVICES OF TENNESSEE INC	Number of Beds: 0012	Shared Imaging	
Attn: DARRELL WHITE	ONE PARK PLAZA	Date of Last Survey: 10/18/2010		
(615) 792-3030	NASHVILLE, TN 37203	Accreditation Expires: 11/10/2013		
	(615) 344-2162	Date of Original Licensure: 07/01/1992		
		Date of Expiration: 01/01/2015		
GRANDVIEW MEDICAL CENTER	Administrator: DARRELL MOORE	Facility License Number: 00000066	1.0 Tesla	CON application for 3T
1000 HIGHWAY 28	Owner Information:	Status: Licensed		submitted 8/15/14
JASPER , TN 37347	PARKRIDGE MEDICAL CENTER, INC.	Date of Last Survey: 07/09/2014		
Attn: DARRELL MOORE	2333 MCCALLIE AVE.	Accreditation Expires: 06/16/2014		
(423) 837-9500	CHATTANOOGA, TN 37404	Date of Original Licensure: 07/01/1992		
	(423) 698-6061	Date of Expiration: 02/20/2015		
	This Facility is an Affiliate of:			
	PARKRIDGE MEDICAL CENTER, INC.			
	2333 MCCALLIE AVENUE			
	CHATTANOOGA , TN 37404			
PARKRIDGE VALLEY HOSPITAL	Administrator: DARRELL MOORE	Facility License Number: 00000066	pscyh facility; no MRI services offered	n/a
SATELLITE OF PARKRIDGE MEDICAL CENTER	Owner Information:	Status: Licensed		
2200 MORRIS HILL ROAD	PARKRIDGE MEDICAL CENTER, INC.	Date of Last Survey: 07/09/2014		
CHATTANOOGA , TN 37421	2333 MCCALLIE AVE.	Accreditation Expires: 06/16/2014		
Attn: Brennan Francois	CHATTANOOGA, TN 37404	Date of Original Licensure: 07/01/1992		
(423) 894-4220	(423) 698-6061	Date of Expiration: 02/20/2015		
	This Facility is an Affiliate of:			
	PARKRIDGE MEDICAL CENTER, INC.			
	2333 MCCALLIE AVENUE			

	CHATTANOOGA , TN 37404			
PARKRIDGE EAST HOSPITAL	Administrator: DARRELL MOORE	Facility License Number: 00000066	1.5 Tesla	n/a
SATELLITE OF PARKRIDGE MEDICAL CENTER	Owner Information:	Status: Licensed		
941 SPRING CREEK ROAD	PARKRIDGE MEDICAL CENTER, INC.	Date of Last Survey: 07/09/2014		
CHATTANOOGA , TN 37412	2333 MCCALLIE AVE.	Accreditation Expires: 06/16/2014		
Attn: JARRETT MILLSAPS	CHATTANOOGA, TN 37404	Date of Original Licensure: 07/01/1992		
(423) 894-7870	(423) 698-6061	Date of Expiration: 02/20/2015		
	This Facility is an Affiliate of:			
	PARKRIDGE MEDICAL CENTER, INC.			
	2333 MCCALLIE AVENUE			
	CHATTANOOGA , TN 37404			
PARKRIDGE VALLEY ADULT SERVICES	Administrator: DARRELL MOORE	Facility License Number: 00000066	pscyh facility; no MRI services offered	
7351 COURAGE WAY	Owner Information:	Status: Licensed		n/a
CHATTANOOGA , TN 37421	PARKRIDGE MEDICAL CENTER, INC.	Date of Last Survey: 07/09/2014		
Attn: Brennan Francois	2333 MCCALLIE AVE.	Accreditation Expires: 06/16/2014		
(423) 894-4220	CHATTANOOGA, TN 37404	Date of Original Licensure: 07/01/1992		
	(423) 698-6061	Date of Expiration: 02/20/2015		
	This Facility is an Affiliate of:			
	PARKRIDGE MEDICAL CENTER, INC.			
	2333 MCCALLIE AVENUE			
	CHATTANOOGA , TN 37404			
PARKRIDGE MEDICAL CENTER, INC.	Administrator: DARRELL MOORE	Facility License Number: 00000066	1.5 Tesla	n/a
2333 MCCALLIE AVENUE	Owner Information:	Status: Licensed		
CHATTANOOGA , TN 37404	PARKRIDGE MEDICAL CENTER, INC.	Number of Beds: 0621		
Attn: DARRELL W. MOORE	2333 MCCALLIE AVE.	Date of Last Survey: 07/09/2014		
(423) 698-6061	CHATTANOOGA, TN 37404	Accreditation Expires: 06/16/2014		
	(423) 698-6061	Date of Original Licensure: 07/01/1992		
		Date of Expiration: 02/20/2015		

2. **Section B, Project Description, Item II.A**

   Please provide a general description of the existing space dedicated to the hospital's MRI unit (size, location, access by patients, floor, etc.). What attributes does the existing MRI unit have that account for the decision to dedicate it to use by hospital inpatients? In your response, please also describe the proximity to the new 1,202 square foot area of space to be renovated if the project is approved.

   Since use by outpatients accounted for approximately 1,150 of 2,060 MRI scans in 2013, how will the proposed new area for the 3.0 Tesla unit be an improvement or enhancement from the current MRI location?

   The existing MRI unit (1.5T) is located in the Imaging Department on the 2nd floor of the facility. The room is 550 square feet in dimension and is located approximately 120 feet from the main patient elevator. There is a small waiting room adjacent to the Imaging Department; however, this waiting area is also used for other outpatient imaging patients (nuclear imaging, ultrasounds, etc.) Outpatients needing an MRI must visit Pre-Registration on the 1st floor to complete paper work then, using the patient elevator, travel to the 2nd floor waiting area. Inpatients requiring MRI's don't need to visit Pre-Registration as they are transported directly to the Imaging Department on the 2nd floor via stretcher. By having the 3T machine on the 1st floor, outpatients will benefit from the direct access to imaging services. This patient population often experiences difficulty with ambulation. Reducing the distance required to reach the point of service is an improvement in access to care.

3. **Section B, Project Description, Item II.C**

   The need for the higher image resolution 3.0 Tesla unit to perform spine & neuro cases is noted.

   Please provide an estimate of referrals by specialty to the applicant's MRI service during the first year of operation:

Specialty	# MRI Referrals
Family Practice	120
Internal Medicine	319
Pediatrics	2
OB/GYN	5
Orthopedics	1862
General Surg	23
Radiology	0
Neurology	133
Neurosurgery	15
Podiatry	0
Oncology	0
Cardiology	15
Urology	8
Other all remaining specialties	562
TOTAL	3064

4. **Section B, Project Description, Item II.E. 3**

   It appears that the applicant intends to purchase the unit absent any indication the vendor quote or any equipment lease entries in the Project Cost Chart & Projected Data Chart. Please confirm.

   Yes, the equipment will be purchased.

   Please be advised that the equipment quote expired on June 27, 2014. As such, an addendum or updated quote from the equipment vendor will be necessary such that the offer will be in effect on the date that the application will be heard by HSDA (November 2014 at earliest).

   An updated quote from G.E. Health, effective through November 24, 2014 is attached following this response.

SUPPLEMENTAL- # 1
August 28, 2014
2:40pm

Quotation Number: PR1-C32294 V 1

Parkridge Medical Center
2333 McCallie Ave
Chattanooga TN 37404-3258

Attn: Keith Davis
2333 Mccallie Ave Chattanooga
TN 37404-3258

Date: 08-26-2014

This Agreement (as defined below) is by and between the Customer and the GE Healthcare business ("GE Healthcare"), each as identified herein. GE Healthcare agrees to provide and Customer agrees to pay for the Products listed in this GE Healthcare Quotation ("Quotation"). "Agreement" is defined as this Quotation and the terms and conditions set forth in either (i) the Governing Agreement identified below or (ii) if no Governing Agreement is identified, the following documents:

1) This Quotation that identifies the Product offerings purchased or licensed by Customer;

2) The following documents, as applicable, if attached to this Quotation: (i) GE Healthcare Warranty(ies); (ii) GE Healthcare Additional Terms and Conditions; (iii) GE Healthcare Product Terms and Conditions; and (iv) GE Healthcare General Terms and Conditions.

In the event of conflict among the foregoing items, the order of precedence is as listed above.

This Quotation is subject to withdrawal by GE Healthcare at any time before acceptance. Customer accepts by signing and returning this Quotation or by otherwise providing evidence of acceptance satisfactory to GE Healthcare. Upon acceptance, this Quotation and the related terms and conditions listed above (or the Governing Agreement, if any) shall constitute the complete and final agreement of the parties relating to the Products identified in this Quotation. The parties agree that they have not relied on any oral or written terms, conditions, representations or warranties outside those expressly stated or incorporated by reference in this Agreement in making their decisions to enter into this Agreement. No agreement or understanding, oral or written, in any way purporting to modify this Agreement, whether contained in Customer's purchase order or shipping release forms, or elsewhere, shall be binding unless hereafter agreed to in writing by authorized representatives of both parties. Each party objects to any terms inconsistent with this Agreement proposed by either party unless agreed to in writing and signed by authorized representatives of both parties, and neither the subsequent lack of objection to any such terms, nor the delivery of the Products, shall constitute an agreement by either party to any such terms.

By signing below, each party certifies that it has not made any handwritten modifications. Manual changes or mark-ups on this Agreement (except signatures in the signature blocks and an indication in the form of payment section below) will be void.

- Terms of Delivery: FOB Destination
- Quotation Expiration Date: 11-24-2014
- Billing Terms: 80% delivery / 20% Installation
- Payment Terms: NET 30
- Governing Agreement: HCA American Group

Each party has caused this agreement to be signed by an authorized representative on the date set forth below. Please submit purchase orders to GE Healthcare
Please submit Purchase Orders to: General Electric Company, GE Healthcare, 3000 N. Grandview Blvd., Mail Code WT-897, Waukesha, WI 53188

GE HEALTHCARE

J Mcnatt
08-26-2014
Product Sales Specialist

CUSTOMER

Authorized Customer Date

Print Name and Title

PO #

Desired Equipment First Use Date

GE Healthcare will use reasonable efforts to meet Customer's desired equipment first use date. The actual delivery date will be mutually agreed upon by the parties.

INDICATE FORM OF PAYMENT:

If "GE HFS Loan" or "GE HFS Lease" is NOT selected at the time of signature, then you may NOT elect to seek financing with GE Healthcare Financial Services (GE HFS) to fund this arrangement after shipment.

____Cash/Third Party Loan

____GE HFS Lease

____GE HFS Loan

____Third Party Lease (please identify financing company) _____

Quotation Number: PR1-C32294 V 1

Item No.	Qty	Catalog No.	Description	Contract Price	Discount	Ext Sell Price
			NOTES: • Customer is responsible for rigging and arranging for installation with a certified electrician • ITEM IS NON-RETURNABLE AND NON-REFUNDABLE			
20	1	E8803BE	Physician's Chair with Padded Arms Physician's chair has padded arms for comfort and comes in a charcoal gray color that blends with any environment. Chair adjusts from 16.75 in. to 21 in. (42.5 cm x 53.3cm) and is only for use in the MR Control Room. Weighs 45 lbs.	$899.00	23.00%	$692.23
21	1	E8823JB	MR Dielectric Pad Set-Includes 1 Neck Pad and 1 Abdomen Pad These soft and flexible dielectric pads are used to suppress shading artifacts that can sometimes be encountered at higher 3.0T field strengths, and especially when imaging in the cervical spine and abdomen and pelvis. Covered with a patient friendly outer cover, the neck pad is placed inside the coil, and under the patient's neck, while the abdomen pad is placed over the patient's abdomen or pelvis and under the front portion of the torso array coil.	$1,050.00	23.00%	$808.50
22	1		Rigging magnet from truck to MRI room.	$8,000.00	0.00%	$8,000.00
			Quote Summary:			
			Total Contract List Price:			**$4,485,687.00**

SUPPLEMENTAL- # 1
August 28, 2014
2:40pm

Quotation Number: PR1-C32294 V 1

Item No.	Qty	Catalog No.	Description	Contract Price	Discount	Ext Sell Price
			Total Discount: (62.92%)			**($2,822,192.22)**
			Total Extended Selling Price:			**$1,663,494.78**
			Total Quote Net Selling Price			**$1,663,494.78**

(Quoted prices do not reflect state and local taxes if applicable. Total Net Selling Price Includes Trade In allowance, if applicable.)

5. **Section B, Project Description, Item III and IV**

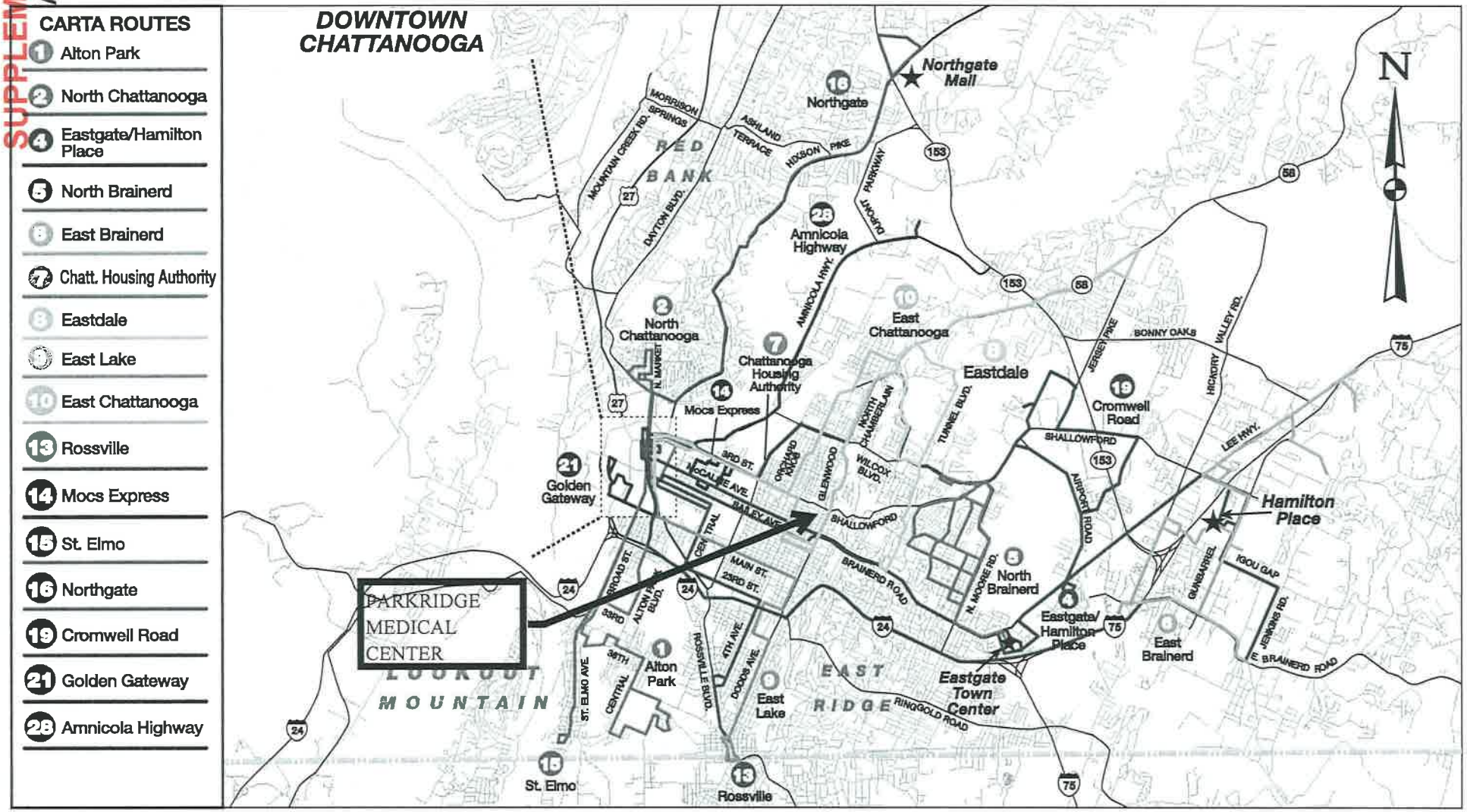
Item III (Plot Plan)
It would be helpful to have a map or the equivalent showing the major bus routes and traffic corridors relative to the applicant facility.

A map of the bus route for CARTA (Chattanooga Area Rapid Transit Authority) is attached following this response.

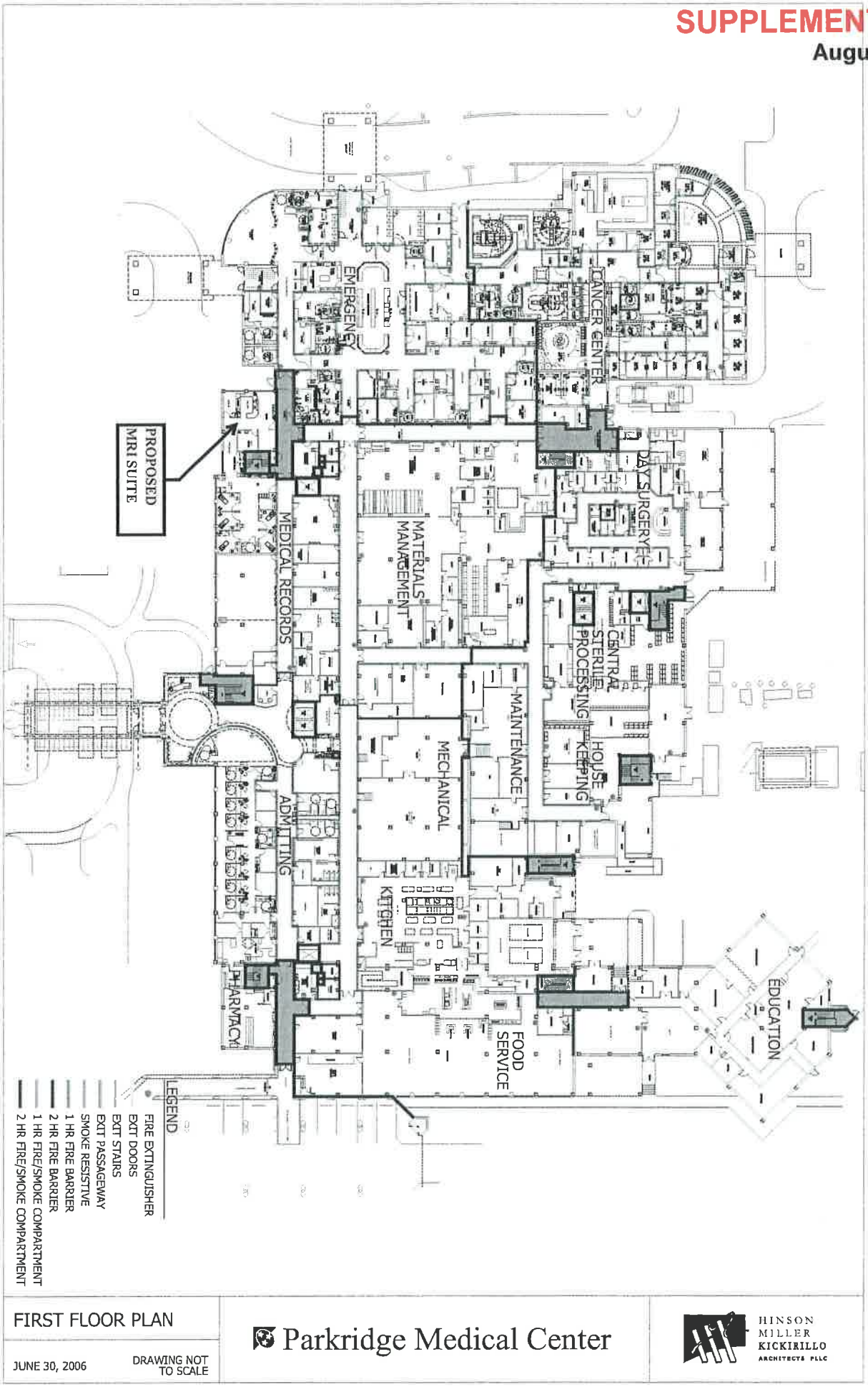
Item IV (Floor Plan)
Please include the existing MRI suite in the floor plan, showing its location relative to the 1,202 SF renovated area that will be used for the proposed 3.0T unit.

The existing MRI unit is on the second floor, and the proposed MRUI unit will be on the first floor. Floor plans for each floor with the MRI locations noted are attached following this response.

SUPPLEMENTAL- # 1
August 28, 2014
2:40pm



SUPPLEMENTAL- # 1
August 28, 2014
2:40pm



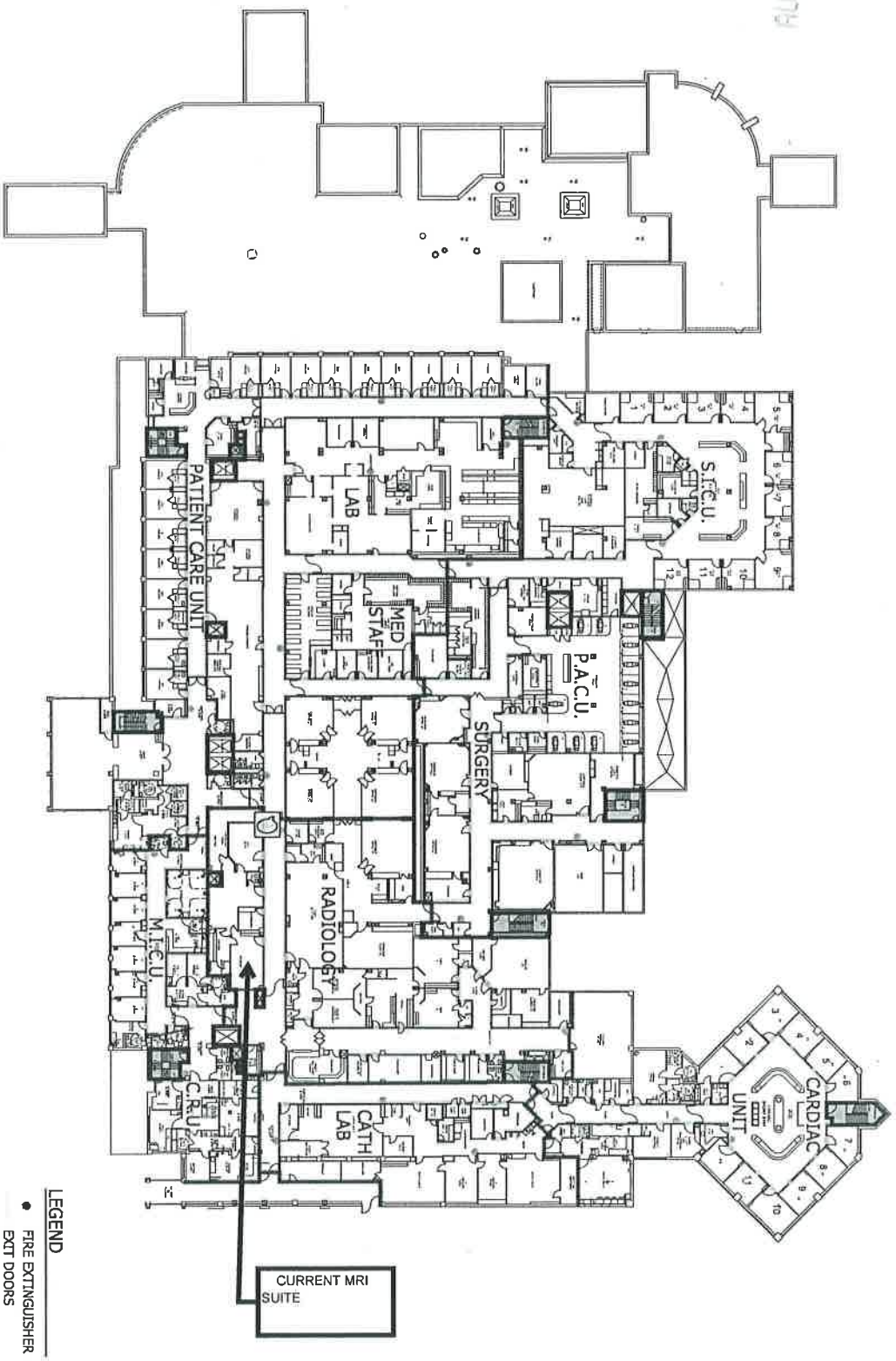
FIRST FLOOR PLAN

JUNE 30, 2006 DRAWING NOT TO SCALE

Parkridge Medical Center

HINSON MILLER KICKIRILLO ARCHITECTS PLLC

SUPPLEMENTAL- # 1
August 28, 2014
2:40pm



SECOND FLOOR PLAN

JUNE 30, 2006

DRAWING NOT TO SCALE

Parkridge Medical Center

HINSON MILLER KICKIRILLO ARCHITECTS PLLC

6. **Section C. Need Item 1. (Project Specific Criteria – MRI and State Health Plan)**

   <u>MRI Project Specific Criteria</u> – The project involves the acquisition of major medical equipment at a cost of $2 million or more and will add additional MRI capacity/inventory to the 6-county primary service area. Accordingly, please provide responses to the criteria and standards for MRI. A copy of same is found in Exhibit I at the end of this questionnaire.

   Responses to these Criteria are attached following this response.

Magnetic Resonance Imaging
Standards and Criteria

1. **Utilization Standards for non-Specialty MRI Units.**

   a. **An applicant proposing a new non-Specialty stationary MRI unit should project a minimum of at least 2160 MRI procedures in the first year of service, building to a minimum of 2520 procedures per year by the second year of service, and building to a minimum of 2800 procedures per year by the third year of service and for every year thereafter.**

   This criterion is more relevant in regard to a new service provider than to the addition of a second unit by an existing hospital provider. Applying this to the current application would have the result of requiring Parkridge to wait until its current MRI was performing at least 5,040 scans before it would meet this criteria for a second unit (the 80% capacity in Guideline 4 -- 2,880 scans -- plus the 2,160 first year volume of this Guideline). This would be almost impossible for any provider to meet: it would require 2.5 MRI scans every hour, operating normal hours of 8 hours per day, 5 days per week, 50 weeks per year. Even operating the MRI for the extended hours in Guideline 4 (12 hours per day, 6 days per week, 50 weeks per year) the utilization would be 1.4 MRIs every hour. This exceeds the presumed capacity of 1.2 scans per hour (and the need threshold is only 80% of that). This would put a huge strain on equipment and other resources. Requiring that amount of "pent-up demand" before being allowed to acquire a second unit is unreasonable under the circumstances.

   b. **Providers proposing a new non-Specialty mobile MRI unit should project a minimum of at least 360 mobile MRI procedures in the first year of service per day of operation per week, building to an annual minimum of 420 procedures per day of operation per week by the second year of service, and building to a minimum of 480 procedures per day of operation per week by the third year of service and for every year thereafter.**

   N/A.

   c. **An exception to the standard number of procedures may occur as new or improved technology and equipment or new diagnostic applications for MRI units are developed. An applicant must demonstrate that the proposed unit offers a unique and necessary technology for the provision of health care services in the Service Area.**

   If and to the extent Guideline 1 (a) is relevant to this application, this application should be considered an "exception" for the reasons stated in above response. The term "new technology" is not defined, but the 3.0 Tesla MRI is a higher strength magnet that the unit currently operated by Parkridge. The higher field strength is necessary for the performance of higher resolution scans needed for spine and neuro cases, as explained elsewhere in the application.

d. **Mobile MRI units shall not be subject to the need standard in paragraph 1b if fewer than 150 days of service per year are provided at a given location. However, the applicant must demonstrate that existing services in the applicant's geographical area are not adequate and/or that there are special circumstances that require these additional services.**

N/A.

2. **Access to MRI Units. All applicants for any proposed new MRI Unit should document that the proposed location is accessible to approximately 75% of the service area's population. Applications that include non-Tennessee counties in their proposed service areas should provide evidence of the number of existing MRI units that service the non-Tennessee counties and the impact on MRI unit utilization in the non-Tennessee counties, including the specific location of those units located in the non-Tennessee counties, their utilization rates, and their capacity (if that data are available).**

All of Parkridge's services are available to all patients in the service area. Of course, the patients presumably must meet 3rd party payor requirements, but the applicant has no way of determining what percentage of the population has insurance coverage that would include Parkridge's MRI service.

To the best of the applicant's knowledge, the only MRI units in Catoosa and Walker Counties, Georgia, are:

Hutcheson Radiology MRI (magnet strength unknown)
100 Gross Crescent Circle
Fort Oglethorpe, Catoosa County, GA 30742

Battlefield Imaging (1.5 Tesla)
4700 Battlefield Parkway Suite 100
Ringgold, Catoosa County, GA 30736

The applicant was unable to find any publicly available utilization data for these MRI units.

3. **Economic Efficiencies. All applicants for any proposed new MRI Unit should document that alternate shared services and lower cost technology applications have been investigated and found less advantageous in terms of accessibility, availability, continuity, cost, and quality of care.**

This criterion appears directed at a new service provider and not the addition of a second unit by an existing hospital provider. It is not practical or reasonable to require a hospital to investigate sharing services with a different provider in order to acquire a second MRI unit to meet its patients' needs.

4. **Need Standard for non-Specialty MRI Units.**

A need likely exists for one additional non-Specialty MRI unit in a Service Area when the combined average utilization of existing MRI service providers is at or above 80% of the total capacity of 3600 procedures, or 2880 procedures, during the most recent twelve-month period reflected in the provider medical equipment report maintained by the HSDA. The total capacity per MRI unit is based upon the following formula:

Stationary MRI Units: 1.20 procedures per hour x twelve hours per day x 6 days per week x 50 weeks per year = 3,600 procedures per year

This criterion is more relevant in regard to a new service provider than to the addition of a second unit by an existing hospital provider. Parkridge is seeking a second MRI to serve its own patients, and is not attempting to take market share from other providers. This MRI will allow Parkridge to re-capture some of the cases that have "leaked" to other providers, but those are cases being referred mostly by physicians in Parkridge's employed physician group, who are referring the cases out because Parkridge does not have a 3.0 Tesla MRI. Re-capturing these cases should not be considered cannibalization of those providers who may have temporarily benefitted from Parkridge's MRI equipment deficiencies.

From the information provided by the HSDA staff from the Medical Equipment Registry it appeal the average number of MRI scans per unit in the Tennessee service area in 2013 was 2,060.

Mobile MRI Units: Twelve (12) procedures per day x days per week in operation x 50 weeks per year. For each day of operation per week, the optimal efficiency is 480 procedures per year, or 80 percent of the total capacity of 600 procedures per year.

N/A.

5. **Need Standards for Specialty MRI Units.**

Criterion 5 is not applicable to this application, as the proposed unit is not a "specialty" unit.

a. **Dedicated fixed or mobile Breast MRI Unit. An applicant proposing to acquire a dedicated fixed or mobile breast MRI unit shall demonstrate that annual utilization of the proposed MRI unit in the third year of operation is projected to be at least 1,600 MRI procedures (.80 times the total capacity of 1 procedure per hour times 40 hours per week times 50 weeks per year), and that:**

1. **It has an existing and ongoing working relationship with a breast-imaging radiologist or radiology proactive group that has experience interpreting breast images provided by mammography, ultrasound, and MRI unit equipment, and that is trained to interpret images produced by an MRI unit configured exclusively for mammographic studies;**

2. **Its existing mammography equipment, breast ultrasound equipment, and the proposed dedicated breast MRI unit is in compliance with the federal Mammography Quality Standards Act;**

3. **It is part of an existing healthcare system that provides comprehensive cancer care, including radiation oncology, medical oncology, surgical oncology and an established breast cancer treatment program that is based in the proposed service area.**

4. **It has an existing relationship with an established collaborative team for the treatment of breast cancer that includes radiologists, pathologists, radiation oncologists, hematologist/oncologists, surgeons, obstetricians/gynecologists, and primary care providers.**

b. **Dedicated fixed or mobile Extremity MRI Unit. An applicant proposing to institute a Dedicated fixed or mobile Extremity MRI Unit shall provide documentation of the total capacity of the proposed MRI Unit based on the number of days of operation each week, the number of days to be operated each year, the number of hours to be operated each day, and the average number of MRI procedures the unit is capable of performing each hour. The applicant shall then demonstrate that annual utilization of the proposed MRI Unit in the third year of operation is reasonably projected to be at least 80 per cent of the total capacity.**

c. **Dedicated fixed or mobile Multi-position MRI Unit. An applicant proposing to institute a Dedicated fixed or mobile Multi-position MRI Unit shall provide documentation of the total capacity of the proposed MRI Unit based on the number of days of operation each week, the number of days to be operated each year, the number of hours to be operated each day, and the average number of MRI procedures the unit is capable of performing each hour. The applicant shall then demonstrate that annual utilization of the proposed MRI Unit in the third year of operation is reasonably projected to be at least 80 per cent of the total capacity.**

6. **Separate Inventories for Specialty MRI Units and non-Specialty MRI Units. Breast, Extremity, and Multi-position MRI Units shall not be counted in the inventory of non-Specialty fixed or mobile MRI Units, and an inventory for each category of Specialty MRI Unit shall be counted and maintained separately. None of the Specialty MRI Units may be replaced with non-Specialty MRI fixed or mobile MRI Units and a Certificate of Need granted for any of these Specialty MRI Units shall have included on its face a statement to that effect. A non-Specialty fixed or mobile MRI Unit for which a CON is granted for Specialty MRI Unit purpose use-only shall be counted in the specific Specialty MRI Unit inventory and shall also have stated on the face of its Certificate of Need that it may not be used for non-Specialty MRI purposes.**

   N/A.

7. **Patient Safety and Quality of Care. The applicant shall provide evidence that any proposed MRI Unit is safe and effective for its proposed use.**

The proposed MRI unit is certified by the FDA and is operated in accordance with all applicable guidelines and criteria. It is safe and effective for its proposed use.

a. The United States Food and Drug Administration (FDA) must certify the proposed MRI Unit for clinical use.

A copy of the FDA approval letter is Attachment B, II, E,(2) to the application.

b. The applicant should demonstrate that the proposed MRI Procedures will be offered in a physical environment that conforms to applicable federal standards, manufacturer's specifications, and licensing agencies' requirements.

Please see the letter from Matthew E. Kennedy, AIA, the project architect, which is Attachment C, II, Economic Feasibility, 1 to the application. Although he does not specifically say the physical environment will comply with the manufacturer's specifications, that will assuredly be a requirement of the architects and contractors engagements by Parkridge. Installation of the MRI unit will be performed by G.E. Healthcare, which will install it in accordance with its own specifications.

c. The applicant should demonstrate how emergencies within the MRI Unit facility will be managed in conformity with accepted medical practice.

A copy of Parkridge Medical Center's emergency evacuation plan is attached at the end of the responses to these Guidelines. These policies and procedures apply to all areas of the hospital. There are no separate polices just for the MRI/imaging department.

d. The applicant should establish protocols that assure that all MRI Procedures performed are medically necessary and will not unnecessarily duplicate other services.

Parkridge Medical Center has had such procedures in place for many years. Once a patient is scheduled for an imaging study, the Central Scheduling staff review the list daily to "work" the outstanding MRI's. For carriers that allow MRI pre-certifications hospital staff contacts the physician offices and request medical records to establish medical necessity, and this information is provided to the carriers to obtain the authorization. For carriers that don't allow pre-certifications, Parkridge relies on the referring physician offices to obtain the precertification. If authorization is obtained, the scan is postponed until medical necessity has been established and the authorization has been obtained.

e. An applicant proposing to acquire any MRI Unit, including Dedicated Breast and Extremity MRI Units, shall demonstrate that:

1. All applicants shall commit to obtain accreditation from the Joint Commission, the American College of Radiology, or a comparable accreditation authority for MRI within two years following operation of the proposed MRI Unit.

Parkridge Medical Center is accredited by the Joint Commission. Documentation of that was submitted with the original application.

Parkridge Medical Center's MRI service is accredited by the American College of Radiology. A copy of the certificate is attached at the end of the responses to the Guidelines.

2. All applicants should seek and document emergency transfer agreements with local area hospitals, as appropriate. An applicant's arrangements with its physician medical director must specify that said physician be an active member of the subject transfer agreement hospital medical staff.

This criterion does not appear to be applicable to this application. Parkridge Medical Center has a 27/7 Emergency Department on the same campus where the proposed MRI will be located.

8. **The applicant should provide assurances that it will submit data in a timely fashion as requested by the HSDA to maintain the HSDA Equipment Registry.**

   The applicant assures it will do so.

9. **In light of Rule 0720-11.01, which lists the factors concerning need on which an application may be evaluated, and Principle No. 2 in the State Health Plan, "Every citizen should have reasonable access to health care," the HSDA may decide to give special consideration to an applicant:**

   a. **Who is offering the service in a medically underserved area as designated by the United States Health Resources and Services Administration;**

      According to the Health Resources and Services Administration website, all or a portion of each county in the service area are designated as Medically Underserved Areas. Parkridge does not rely upon the MUA designations as a justification of its need for the second MRI unit.

   b. **Who is a "safety net hospital" or a "children's hospital" as defined by the Bureau of TennCare Essential Access Hospital payment program; or**

      N/A.

   c. **Who provides a written commitment of intention to contract with at least one TennCare MCO and, if providing adult services, to participate in the Medicare program.**

      Parkridge contracts with all TennCare MCOs in the region.

SUPPLEMENTAL- # 1
August 28, 2014
2:40pm

Parkridge Medical Center Inc.

POLICY AND PROCEDURE

TITLE: **Evacuation Plan**	Policy: LS-POL/PRO-11.013.002
DEPARTMENT/SCOPE: Organizational Wide	PAGE: 1 of 3
ORIGINATION DATE: 1/11	AUTHOR: Emergency Preparedness Committee
REVISED DATE: 8/2012	REVIEWED DATE:
COMMITTEE APPROVAL: Clinical Strategy 2/11, 9/2012; Provision of Care 3/11, 9/2012; MEC 3/11, 9/2012; BOG 3/11, 9/2012	
REPLACES ALL PREVIOUS POLICIES AND PROCEDURES	

SCOPE:

Organizational Wide

PURPOSE:

Patient relocation and evacuation can be inherently dangerous to patients and staff, and is to be undertaken only when conditions of the environment cannot support care, treatment, and services. During emergencies, patients could be relocated to adjacent compartments or areas of safety. If determined by the Incident Commander and / or the Fire Department, patients could be evacuated from the building to an adjacent building or moved to an alternate care site for patient care and safety.

The Evacuation Plan describes the overall procedures followed by the Parkridge Medical Center, Inc. staff in response to an emergency requiring the evacuation of patients (and their medical record), staff, and visitors, and their return to the facility after the emergency is resolved. The evacuation in response to an emergency, from preparation through initiation, completion, and recovery, utilizes the Parkridge Medical Center, Inc. Emergency Operations Plan (EOP).

Definitions:

Types of Evacuation:

Horizontal Evacuation or Relocation: The actions taken to move patients from the immediate area of the emergency to an area of safety or an adjacent smoke compartment on the same floor. Staff in the area may implement this relocation, if conditions are severe enough.

Vertical Evacuation: The actions taken to move patients from one floor to another floor for safety. Only the Incident Commander or designee should determine this relocation.

Building Evacuation: This type evacuation involves removal of all persons from a hospital building and requires a plan for its implementation. Evacuation should only be done by direction of the Incident Commander and / or the Fire Department. This would encompass moving all patients to an alternate care site.

Levels of Evacuation:

Level 1: The evacuation of a specific floor or wing to a designated location. This can include both horizontally or vertically for the preservation of the patients, visitors, and staff . Horizontal evacuation will be to the area designated by the authority having jurisdiction.

Level 2: The evacuation of an entire building or section of a building to an alternate care site.

Level 3: The evacuation of an entire Parkridge Medical Center, Inc facility buildings or campus

to other alternate care site(s) or locations.

POLICY:

Initiation of the Plan:
The Incident Commander is administratively responsible for the Evacuation Plan. Department directors will determine the appropriate procedures required to minimize the impact of the evacuation on their department and will communicate this information to the hospital's Incident Command Center.

To facilitate the orderly initiation of the response to an emergency requiring an evacuation, the following steps need to be taken:

1. Information is received by Parkridge Medical Center, Inc. impacting patient care capabilities. This includes, but is not limited to:
   - an external emergency facing the community
   - an internal emergency involving the function of the hospital
   - any situation where the facility is no longer able to provide patient care and treatment.

   This information will be passed directly to the Incident Commander.
2. The information evaluated includes issues such as location of the incident (internal or external) requiring an evacuation, the distance from the effected facility if an external event, the scope of the incident (single individual, mass casualty, malicious attack, etc), and weather conditions (seasonal and current).
3. The Incident Commander will evaluate the information concerning this emergency and determine if the initiation of the Evacuation Plan is applicable.
4. If deemed necessary, the Incident Commander will initiate the Evacuation Plan, the EOP, and / or the appropriate Emergency Response Plan. The evacuation route and congregation areas will be determined and communicate by the Incident Commander.
5. If the Incident Command Center has not been opened, the Incident Commander will open the ICC to direct the evacuation process. The steps for opening the Incident Command Center follow HICS format and are found in the EOP.

Evacuation Process:

1. The evacuation process will vary based on different types and levels of evacuation. Special considerations will be given to vulnerable populations. The procedure for evacuating isolation patients will be overseen by the Infection Control Practitioner.
2. In the event of an evacuation, patient transfers will be done by any means possible. This includes, but is not limited to: ambulation, wheelchair, crutches, stretcher, bed, paraslyde, etc. Blanket drags, multi-person carries, and utilization of equipment not necessarily used for transportation are not expected to be used, but may be utilized based on the situation.
3. An assessment of each patient should be conducted to determine the medical and transport equipment to continue the care of the patient during the evacuation and at alternate care or receiving sites.
4. Move patients with their medical records, medications, and necessary medical equipment for sustainability (see tracking information below).
5. Department directors will be responsible for specific processes needed to evacuate their unit and each department director or designee will determine the individual responsible

for ensuring the evacuation is complete. The completion of the evacuation of each unit should be reported to the Incident Command Center as it occurs.

6. The procedures for tracking patients will continue in the same form and method as if in the hospital. A Master Evacuation Tracking From (HICS 255) will be maintained at all the exit points of the hospital where patients are being transported away from the facility. Each of the forms will be given to the Incident Command Center once they are completed.

Special considerations for the Patient in Seclusion or Restraints - In the event of the need to evacuate the patient in seclusion or restraint, the following will occur:

- **The Charge Nurse** will make an assignment of a staff member to go to the seclusion room and stay outside the door to monitor the patient (provided fire/internal disaster is not in the immediate area). When all patients are evacuated, the Charge Nurse will send a staff member to assist in the safe evacuation of the patient in seclusion or restraints to a designated area.
- The **assigned staff member** will stay outside the seclusion room until another staff member comes to assist in the evacuation (provided fire/internal disaster is not in the immediate area). If the immediate area is involved, the staff members should escort the patient out of the unit.

Following evacuation, the seclusion/restraint patient shall be transported to a seclusion room in another part of the hospital. Staff members should remain with the patient until an announcement for "all clear" is made and the patient is returned to the unit.

Recovery:

1. Prior to patients returning to the facility, each department director or designee should evaluate their unit for readiness. This includes, but is not limited to: cleanliness, safety, availability of supplies, staffing, etc. The Incident Command Center should be notified of any needs and when the unit is ready for occupation.
2. Once the event has terminated, department directors will meet with the Incident Commander and / or the Emergency Preparedness (EP) Committee to discuss opportunities for improvement and how to build on successes.
3. Department directors will educate their staff on processes and equipment specific to their unit as it relates to emergency preparedness. The EP Committee will be available to assist with education of evacuation as needed.
4. The EP Committee will review the use of evacuation equipment periodically. Drills will evaluate the appropriateness of the equipment and address the need for additional or different equipment.

SUPPLEMENTAL- # 1
August 28, 2014
2:40pm

ACR®
AMERICAN COLLEGE OF RADIOLOGY

American College of Radiology

Magnetic Resonance Imaging Services of

Parkridge Medical Center

2333 McCallie Avenue
Chattanooga, Tennessee 37404

were surveyed by the
Committee on MRI Accreditation of the
Commission on Quality and Safety

The following magnet was approved

Philips GYROSCAN 1995

For

Head, Spine, Body, MSK, MRA

Accredited from:

January 27, 2012 through January 27, 2015

CHAIRMAN, COMMITTEE ON MRI ACCREDITATION

PRESIDENT, AMERICAN COLLEGE OF RADIOLOGY

MRAP# 00505-01

State Health Plan (Economic Efficiencies)

The applicant states that the existing 1.5 Tesla MRI unit is well utilized. With utilization averaging approximately 80% of the MRI standard for non-specialty units, please explain what is meant by well utilized. Additionally, how would 2 units at the projected MRI volumes in Year 1 meet future demand with utilization continuing below the MRI standard? Please clarify.

The existing unit has experienced decreasing utilization since 2013 due to its age and magnet strength. Between 2011-2012, before the loss of the spine and Neuro cases, utilization increased by approximately 7.6%. Had it not been for the loss of the spine and neuro cases, and had growth continued at 7.6% annually, the utilization in 2014 would have been 2,890 scans. This exceeds the 80% threshold of 2,880. The declining utilization is one reason the new unit is needed.

The new unit will help meet future demand because it will allow Parkridge to perform the scans needing a higher magnet strength unit for higher resolution images. It will also help meet future demand because Parkridge has no reason to think its MRI utilization will not continue to grow as it did in the past, once it acquires the needed MRI equipment.

The applicant noted declining MRI utilization and loss of potential cases for spine and neuro cases in other parts of the application. Given an estimated loss of 1,403 scans to other providers during the most recent 12 month period, how does the addition of the proposed MRI contribute to this Principle based on the likelihood of an adverse impact to other providers? Please explain.

Parkridge is seeking a second MRI to serve its own patients, and is not attempting to take market share from other providers. This MRI will allow Parkridge to re-capture some of the cases that have "leaked" to other providers, but those are cases being referred mostly by physicians in Parkridge's employed physician group, who are referring the cases out because Parkridge does not have a 3.0 Tesla MRI. Re-capturing these cases should not be considered cannibalization of those providers who may have temporarily benefitted from Parkridge's MRI equipment deficiencies.

A letter from Richard G. Pearce, M.D., with Spine Surgery Associates is attached following this response.

PARKRIDGE MEDICAL GROUP
SPINE SURGERY ASSOCIATES

August 26, 2014

State of Tennessee
Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deadrick Street
Nashville, TN 37243

RE: Parkridge Medical Center 3T MRI CON Application

To Whom It May Concern:

Please accept this letter as my request for consideration of the Parkridge Medical Center's application for the 3T MRI.

I am an orthopedic spine surgeon with 23 years of experience working in the Spine Surgery Associates group in Chattanooga, Tennessee. Because I am committed to providing my patients with access to superior surgical care, I perform the majority of my surgeries at Parkridge Health System (unless their health plan dictates otherwise). While the majority of my surgeries are performed at Parkridge, I have routinely referred my diagnostic imaging to other area imaging centers due to the age of the Parkridge equipment.

Patients with conditions related to the spine require enhanced image resolution for proper diagnosis, treatment planning, etc. In addition to the enhanced quality of the studies, there is added convenience for the patient by having their images readily available on the Parkridge system. Otherwise, patients are often required to obtain their images on a CD disk for use in the surgery setting.

Please let me know if there are questions regarding the necessity of this equipment upgrade. I can be reached at 423-756-6623.

Respectfully,

Richard G. Pearce, M.D.

PAUL A. BROADSTONE, M.D. RICHARD G. PEARCE, M.D. TODD C. BONVALLET, M.D. ALEXANDER G. ROBERTS, M.D.
SHEILA R. HUTCHENS, NP-C NOEL N. LAWSON, NP-C

1736 GUNBARREL ROAD • CHATTANOOGA, TN 37421 • OFFICE: (423) 756-6623 • FAX: (423) 648-8084 • WWW.SSASPINE.ORG

7. **Section C. Need, Item 3 (Service Area)**

   The 86% admissions volume by residents of the applicant's 6-county primary service area (PSA) is noted.

   Based on review of HSDA Equipment Registry records, it appears that Tennessee residents of the PSA accounted for approximately 40,607 MRI scans or 72% of 56,791 total MRI scans performed in 2013 by all MRI providers in the PSA (27 MRI units in use).

   What was the use of Parkridge's MRI service by residents of the PSA in 2013? In your response, please show for each county in the PSA. For assistance, please contact Alecia Craighead, Stat III, HSDA. Please also see the attached worksheet with this e-mail to utilize in identifying the metrics requested.

   The requested information is attached following this response.

SUPPLEMENTAL- # 1
August 28, 2014
2:40pm

Patient Origin for MRI Scans at Parkridge

Provider County	Provider Type	Provider	Year	Resident County	Total Procedures	Total Procedures at Parkridge	% at Parkridge from PSA
Hamilton	HOSP	Parkridge Medical Center	2013	Bradley	68		
Hamilton	HOSP	Parkridge Medical Center	2013	Hamilton	1209		
Hamilton	HOSP	Parkridge Medical Center	2013	Marion	110		
Hamilton	HOSP	Parkridge Medical Center	2013	Meigs	10		
Hamilton	HOSP	Parkridge Medical Center	2013	Rhea	46		
Hamilton	HOSP	Parkridge Medical Center	2013	Sequatchie	21		
Hamilton	HOSP	Parkridge Medical Center	2013	Catoosa, GA	76		
Hamilton	HOSP	Parkridge Medical Center	2013	Walker, GA	176		
Total Service Area MRI Cases at Parkridge 2013					**1716**	**2054**	**83.5%**

Source: TN Counties Medical Equipment Registry - 8/20/2014; GA Counties Internal Hospital Data

Provider County	Provider Type	Provider	Year	Resident County	Total Procedures	Total Procedures at Parkridge	% at Parkridge from PSA
Hamilton	HOSP	Parkridge Medical Center	2012	Bradley	68		
Hamilton	HOSP	Parkridge Medical Center	2012	Hamilton	1415		
Hamilton	HOSP	Parkridge Medical Center	2012	Marion	133		
Hamilton	HOSP	Parkridge Medical Center	2012	Meigs	19		
Hamilton	HOSP	Parkridge Medical Center	2012	Rhea	45		
Hamilton	HOSP	Parkridge Medical Center	2012	Sequatchie	44		
Hamilton	HOSP	Parkridge Medical Center	2012	Catoosa, GA	131		
Hamilton	HOSP	Parkridge Medical Center	2012	Walker, GA	208		
Total Service Area MRI Cases at Parkridge 2012					**2063**	**2496**	**82.7%**

Source: TN Counties Medical Equipment Registry - 8/20/2014; GA Counties Internal Hospital Data

Provider County	Provider Type	Provider	Year	Resident County	Total Procedures	Total Procedures at Parkridge	% at Parkridge from PSA
Hamilton	HOSP	Parkridge Medical Center	2011	Bradley	80		
Hamilton	HOSP	Parkridge Medical Center	2011	Hamilton	1302		
Hamilton	HOSP	Parkridge Medical Center	2011	Marion	74		
Hamilton	HOSP	Parkridge Medical Center	2011	Meigs	14		
Hamilton	HOSP	Parkridge Medical Center	2011	Rhea	47		
Hamilton	HOSP	Parkridge Medical Center	2011	Sequatchie	88		
Hamilton	HOSP	Parkridge Medical Center	2011	Catoosa, GA	105		
Hamilton	HOSP	Parkridge Medical Center	2011	Walker, GA	182		
Total Service Area MRI Cases at Parkridge 2011					**1892**	**2320**	**81.6%**

Medical Equipment Registry - 8/20/2014

8. Section C, Need, Item 5

As noted, HSDA requests that this information be provided with assistance from HSDA Equipment Registry data for the periods noted in the attachment. Please revise the Table in Attachment C Need, 5 by using MRI utilization for 2013 from the HSDA Equipment Registry and adding a column to show the percentage change by provider from 2011 to 2013 (*see suggested format in Table 1 below*). Please also complete Table 2 showing the use of MRI providers by residents of the 6-county PSA.

The table which was attached as Attachment C, I, Need, 5 has been revised to include 2013 data from the HSDA Equipment Registry as requested, and by adding the column as requested. All of the same information as is called for on the suggested format is included, although it is in slightly different order. It is attached following this response.

The requested Table 2, modified as discussed with the HSDA reviewer, is attached following this response.

SUPPLEMENTAL- # 1
August 28, 2014
2:40pm

MRI UTILIZATION IN SERVICE AREA (TENNESSEE COUNTIES)

County	Type	Provider	2011 # Units	2011 Scans	2012 # Units	2012 Scans	2013 # Units	2013 Scans	% Change '11-'13
Bradley	PO	Cleveland Imaging	(1)	668	(1)	2769	(1)	3509	425.3%
Bradley	HOSP	Skyridge Medical Center	(1)	2584	(1)	2499	(1)	2302	-10.9%
Bradley	HOSP	Skyridge Medical Center - Westside	(2)	3214	(2)	2493	(2)	1818	-43.4%
Hamilton	PO	Chattanooga Bone & Joint Surgeons	(1)	1119	(1)	1021	(1)	841	-24.8%
Hamilton	ODC	Chattanooga Imaging Downtown	(2)	2044	(2)	2035	(2)	1540	-24.7%
Hamilton	RPO	Chattanooga Imaging East	(2)	4552	(1)	2850	(1)	2822	-38.0%
Hamilton	RPO	Chattanooga Imaging Hixson	(1)	2117	(1)	2230	(1)	2386	12.7%
Hamilton	PO	Chattanooga Orthopaedic Group PC	(1)	5698	(1)	5332	(1)	5340	-6.3%
Hamilton	ODC	Chattanooga Outpatient Center	(1)	6045	(1)	6465	(2)	7292	20.6%
Hamilton	H-Imaging	Erlanger East Imaging	(1)	1275	(1)	704	(1)	568	-55.5%
Hamilton	HOSP	Erlanger Medical Center	(3)	10730	(3)	10915	(3)	11558	7.7%
Hamilton	HOSP	Memorial Hixson Hospital	(2)	4048	(2)	2836	(2)	2488	-38.5%
Hamilton	HOSP	Memorial Hospital	(3)	8211	(3)	4096	(3)	4356	-46.9%
Hamilton	H-Imaging	Memorial Ooltewah Imaging Center	(1)	1286	(1)	1050	(1)	1049	-18.4%
Hamilton	PO	Neurosurgical Group of Chattanooga	(1)	1388	(1)	1405	(1)	1198	-13.7%
Hamilton	HOSP	Parkridge East Hospital	(1)	934	(1)	919	(1)	1024	9.6%
Hamilton	HOSP	Parkridge Medical Center	(1)	2320	(1)	2496	(1)	2054	-11.5%
Hamilton	RPO	Tennessee Imaging and Vein Center	(1)	2615	(1)	3074	(1)	3165	21.0%
Marion	HOSP	Grandview Medical Center	(1)	884	(1)	953	(1)	884	0.0%
Rhea	HOSP	Rhea Medical Center	(1)	1289	(1)	1530	(1)	1481	14.9%
Totals			(28)	63021	(27)	57672	(28)	57675	-8.5%

"PO" Physician Office; "RPO" Radiologist Physician Office

Source: HSDA Medical Equipment Registry

Table 2 – Use Trend by Residents of PSA, 2011-2013

Provider Name	County Location	PSA Resident Scans 2011	PSA Resident Scans 2012	PSA Resident Scans 2013	% Change in use by PSA Residents '11-'13
Cleveland Imaging	Bradley	536	2143	2753	413.62%
Skyridge Medical Center	Bradley	2081	1990	1810	-13.02%
Skyridge Medical Center - Westside	Bradley	2453	1890	1303	-46.88%
Chattanooga Bone & Joint Surgeons, PC	Hamilton	875	722	601	-31.31%
Chattanooga Imaging Downtown	Hamilton	1517	1280	1195	-21.23%
Chattanooga Imaging East	Hamilton	3438	2225	2279	-33.71%
Chattanooga Imaging Hixson	Hamilton	1946	2066	2236	14.90%
Chattanooga Orthopaedic Group PC	Hamilton	4028	3702	3768	-6.45%
Chattanooga Outpatient Center (Digital Imaging of North Georgia)	Hamilton	4376	4662	5200	18.83%
Erlanger East Campus	Hamilton	1019	555	436	-57.21%
Erlanger Medical Center	Hamilton	6665	6027	7242	8.66%
Memorial Hixson Hospital	Hamilton	3791	2697	2376	-37.33%
Memorial Hospital	Hamilton	5643	2898	3069	-45.61%
Memorial Ooltewah Imaging Center	Hamilton	1175	956	983	-16.34%
Neurosurgical Group of Chattanooga, P.C.	Hamilton	913	889	881	-3.50%
Parkridge East Hospital	Hamilton	501	487	540	7.78%
Parkridge Medical Center	Hamilton	1605	1724	1464	-8.79%
Tennessee Imaging and Vein Center	Hamilton	2009	2295	2471	23.00%
Parkridge West Hospital	Marion	0	0	0	0.00%
Rhea Medical Center	Rhea	0	0	0	0.00%
Total-PSA provider use by PSA residents		44571	39208	40,607	
Use of all TN providers by PSA residents		46533	41531	42,870	
Use of PSA providers as a % of total		95.78%	94.41%	94.72%	
Total PSA provider MRI Scans		63021	57672	57,675	
% Provider Dependence on PSA residents		70.72%	67.98%	70.41%	
Total PSA provider MRI Scans (minus Parkridge West Hospital and Rhea Medical Center)		60848	55189	55,310	
% Provider Dependence on PSA residents (minus Parkridge West Hospital and Rhea Medical Center)		73.25%	71.04%	73.42%	

Note: Parkridge West Hospital (Marion) and Rhea Medical Center (Rhea) are not able to report by county of residence.

A key point in the projections for the new 3.0 T unit relates to recapturing approximately 1,052 cases needing higher resolution imaging in Year 1 as described on page 10 of the application. Which providers currently have the higher imaging resolution MRI unit capacity in the PSA and what was their utilization for the most recent period? In your response, please include the name, address, type of provider, distance in miles and driving time between the hospital and these providers. ***Note: as a suggestion, the applicant can simply highlight the providers in the preceding tables to identify their utilization.***

Memorial Health Care System Inc.
2525 Desales Avenue
Chattanooga , TN 37404
Hospital
0.9 miles; 3 minutes

Memorial Ooltewah Imaging
6401 Mountain View Rd #105
Ooltewah, TN 37363
Hospital Imaging Center
16.4 miles; 20 minutes

Chattanooga Outpatient Center
1301 McCallie Ave
Chattanooga , TN 37404
0.9 miles; 2 minutes

The utilization for these providers is reflected and highlighted in Table 2, attached following the response to the first part of Question 8.

9. **Section C, Need, Item 6**

The methodology is noted. As the applicant is aware, the ideal MRI utilization standard is 2,880 scans per year (after 3rd year of acquisition). Review of the applicant's 2013 Joint Annual Report revealed 910 inpatient and 1,150 outpatient MRI scans for a total of 2,060 MRI scans in 2013. Please complete the following table to show a breakout of projected utilization with a comparison to the MRI standard.

MRI unit	Inpatient Scans	Outpatient scans	Total	As a % of 2,880 MRI standard
Existing 1.5T 2013	910	1,150	2,060	71.5%
Existing 1.5T Year 1	423	534	957	33.2%
New 3.0 T Year 1	931	1176	2107	73.2%

Please summarize the strategies being implemented by PMC other than the proposed addition of a new MRI unit that might help reach the treatment standard at some point within 3 years following project completion in October, 2016.

Parkridge Medical Center continues to add to the existing primary care base which will increase the number of studies ordered. Additionally, Parkridge hired a Sales Specialist who will provide support to physicians and schedulers utilizing imaging services at our facilities. Sales support includes customer service and provider education (e.g., advantages and benefits of the services, general updates related to Managed Care/TennCare medical necessity requirements, hours of service, etc).

10. Section C, Economic Feasibility Item 1 (Project Costs Chart)

The following definition regarding major medical equipment cost in Tennessee Health Services and Development Agency Rule 0720-9-.01 (13)(b) states " The cost of major medical equipment includes all costs, expenditures, charges, fees, and assessments which are reasonably necessary to put the equipment into use for the purposes for which the equipment was intended. Such costs specifically include, but are not necessarily limited to the following: (1) maintenance agreements, covering the expected useful life of the equipment; (2) federal, state, and local taxes and other government assessments and (3) installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding."

Of the items listed in the breakout of the medical equipment cost on page, please identify the amount for installation (item 3 above) such that the total identified in page 11, Section B ($2,391,180) is understood.

The cost break-down for the equipment cost of $2,391,180 is reflected on the second page of the Project Cost Chart, on page 20 of the application. This includes all of the costs required to be included by the referenced Rule.

The installation costs (not including physical plant renovation and in-wall shielding) is included in the equipment price quote. (An updated quote is attached following the response to Question 4). It is on page 37/44 and is identified as "Rigging."

11. Section C, Economic Feasibility, Item 2 (Funding Sources)

The funding from cash reserves is noted. Review of the August 14, 2014 letter from the hospital CFO stated that funding will be provided from an allocation by HCA. However, review of the Balance Sheet for the hospital provided in the attachments revealed $87,165 available from cash & cash equivalents and no amount for marketable securities. Further, the hospital's Current Ratio appears to point to a potential problem with funding this project from cash reserves. Please clarify the source and amount(s) available to support the project. In your response, you may want to include a balance sheet from HCA since the parent company is named as the source of funding in lieu of the hospital.

The allocation would be from the Tri Star Division of HCA. A Balance Sheet for the Tri Star Division is attached following this response.

12. Section C, Economic Feasibility, Item 4. (Projected Data Chart) and Item 5

Your responses are noted.

CONS - TriStar Division

Jul - 2014

All Entities

8/26/2014 02:10:30 PM

Report ID: ALCFS010

SUPPLEMENTAL - #1

August 28, 2014

2:40pm

Financial Statements - Balance Sheet

Month				Year to Date		
Begin	Change	Ending		Begin	Change	Ending
			CURRENT ASSETS			
1,047,234	-281,553	765,681	Cash & Cash Equivalents	454,235	311,446	765,681
			Marketable Securities			
			PATIENT ACCOUNTS RECEIVABLES			
738,637,891	9,545,073	748,182,964	Patient Receivables	689,048,299	59,134,665	748,182,964
-3,717,697	-71,405	-3,789,102	Less Allow for Govt Receivables	-3,610,673	-178,429	-3,789,102
-410,840,894	-13,954,413	-424,795,307	Less Allow - Bad Debt	-355,654,269	-69,141,038	-424,795,307
324,079,300	-4,480,745	319,598,555	Net Patient Receivables	329,783,357	-10,184,802	319,598,555
			FINAL SETTLEMENTS			
-4,311,728	-481,486	-4,793,214	Due to/from Govt Programs	-11,218,255	6,425,041	-4,793,214
			Allowances Due Govt Programs			
-4,311,728	-481,486	-4,793,214	Net Final Settlements	-11,218,255	6,425,041	-4,793,214
319,767,572	-4,962,231	314,805,341	Net Accounts Receivables	318,565,102	-3,759,761	314,805,341
75,497,880	1,695,005	77,192,885	Inventories	75,683,734	1,509,151	77,192,885
9,316,057	-446,888	8,869,169	Prepaid Expenses	7,167,729	1,701,440	8,869,169
3,986,474	2,070	3,988,544	Other Receivables	5,399,686	-1,411,142	3,988,544
409,615,217	-3,993,597	405,621,620	Total Current Assets	407,270,486	-1,648,866	405,621,620
			PROPERTY, PLANT & EQUIPMENT			
129,196,091	56,991	129,253,082	Land	122,143,430	7,109,652	129,253,082
867,710,977	-464,897	867,246,080	Bldgs & Improvements	865,853,415	1,392,665	867,246,080
1,321,001,406	-2,374,241	1,318,627,165	Equipment - Owned	1,290,838,727	27,788,438	1,318,627,165
30,695,725	1,295,371	31,991,096	Equipment - Capital Leases	25,094,874	6,896,222	31,991,096
8,948,161	2,341,504	11,289,665	Construction in Progress	8,393,108	2,896,557	11,289,665
2,357,552,360	854,728	2,358,407,088	Gross PP&E	2,312,323,554	46,083,534	2,358,407,088
-1,410,586,804	-7,242,628	-1,417,829,432	Less Accumulated Depreciation	-1,379,372,418	-38,457,014	-1,417,829,432
946,965,556	-6,387,900	940,577,656	Net PP&E	932,951,136	7,626,520	940,577,656
			OTHER ASSETS			
1,414,255	-43,753	1,370,502	Investments	1,418,244	-47,742	1,370,502
20,401	-151	20,250	Notes Receivable	20,700	-450	20,250
169,649,845	-1,902	169,647,943	Intangible Assets - Net	169,661,256	-13,313	169,647,943
441,706,927	-357,641	441,349,286	Investments in Subsidiaries	443,461,637	-2,112,351	441,349,286
-1,351,998	21,512	-1,330,486	Other Assets	264,965	-1,595,451	-1,330,486
611,439,430	-381,935	611,057,495	Total Other Assets	614,826,802	-3,769,307	611,057,495
1,968,020,203	-10,763,432	1,957,256,771	Grand Total Assets	1,955,048,424	2,208,347	1,957,256,771
			CURRENT LIABILITIES			
70,849,399	-6,212,860	64,636,539	Accounts Payable	60,709,384	3,927,155	64,636,539
71,536,019	8,014,709	79,550,728	Accrued Salaries	72,559,216	6,991,512	79,550,728
13,397,816	2,197,104	15,594,920	Accrued Expenses	17,742,179	-2,147,259	15,594,920
12,726	-218	12,508	Accrued Interest	13,967	-1,459	12,508
			Distributions Payable			
5,523,782	250,201	5,773,983	Curr Port - Long Term Debt	4,667,751	1,106,232	5,773,983
6,171,531	873,981	7,045,512	Other Current Liabilities	10,166,232	-3,120,720	7,045,512
-78,330	0	-78,330	Income Taxes Payable		-78,330	-78,330
167,412,943	5,122,917	172,535,860	Total Current Liabilities	165,858,729	6,677,131	172,535,860
			LONG TERM DEBT			
26,158,013	528,655	26,686,668	Capitalized Leases	22,224,729	4,461,939	26,686,668
-915,080,102	-44,122,401	-959,202,503	Inter/Intra Company Debt	-892,350,833	-66,851,670	-959,202,503
25,639,750	-111,094	25,528,656	Other Long Term Debts	25,978,447	-449,791	25,528,656
-863,282,339	-43,704,840	-906,987,179	Total Long Term Debts	-844,147,657	-62,839,522	-906,987,179
			DEFFERED CREDITS AND OTHER LIAB			
			Professional Liab Risk			
			Deferred Incomes Taxes			
7,221,929	270,649	7,492,578	Long-Term Obligations	6,929,245	563,333	7,492,578
7,221,929	270,649	7,492,578	Total Other Liabilities & Def	6,929,245	563,333	7,492,578
			EQUITY			
33,250	0	33,250	Common Stock - par value	33,250	0	33,250
1,057,631,058	-386,144	1,057,244,914	Capital in Excess of par value	1,061,238,655	-3,993,741	1,057,244,914
1,482,404,137	0	1,482,404,137	Retained Earnings - current yr	1,565,136,254	-82,732,117	1,482,404,137
116,599,225	27,933,986	144,533,211	Net Income Current Year		144,533,211	144,533,211
			Distributions			
			Other Equity			
2,656,667,670	27,547,842	2,684,215,512	Total Equity	2,626,408,107	57,807,405	2,684,215,512
1,968,020,203	-10,763,432	1,957,256,771	Total Liabilities and Equity	1,955,048,424	2,208,347	1,957,256,771

CONS - TriStar Division
Dec - 2013
All Entities

Financial Statements - Balance Sheet

8/26/2014 02:10:30 PM
Report ID: ALCFS010

SUPPLEMENTAL-#1
August 28, 2014
2:40pm

Month				Year to Date		
Begin	Change	Ending		Begin	Change	Ending
			CURRENT ASSETS			
4,684,415	-4,230,180	454,235	Cash & Cash Equivalents	2,665,398	-2,211,163	454,235
			Marketable Securities	323	-323	
			PATIENT ACCOUNTS RECEIVABLES			
666,023,827	23,024,472	689,048,299	Patient Receivables	660,674,006	28,374,293	689,048,299
-3,214,772	-395,901	-3,610,673	Less Allow for Govt Receivables	-2,583,822	-1,026,851	-3,610,673
-345,568,891	-10,085,378	-355,654,269	Less Allow - Bad Debt	-364,619,284	8,965,015	-355,654,269
317,240,164	12,543,193	329,783,357	Net Patient Receivables	293,470,900	36,312,457	329,783,357
			FINAL SETTLEMENTS			
-13,607,559	2,389,304	-11,218,255	Due to/from Govt Programs	-10,033,963	-1,184,292	-11,218,255
			Allowances Due Govt Programs	-1,417,703	1,417,703	
-13,607,559	2,389,304	-11,218,255	Net Final Settlements	-11,451,666	233,411	-11,218,255
303,632,605	14,932,497	318,565,102	Net Accounts Receivables	282,019,234	36,545,868	318,565,102
77,090,793	-1,407,059	75,683,734	Inventories	72,281,702	3,402,032	75,683,734
7,364,894	-197,165	7,167,729	Prepaid Expenses	22,194,465	-15,026,736	7,167,729
15,345,798	-9,946,112	5,399,686	Other Receivables	5,073,190	326,496	5,399,686
408,118,505	-848,019	407,270,486	Total Current Assets	384,234,312	23,036,174	407,270,486
			PROPERTY, PLANT & EQUIPMENT			
122,139,761	3,669	122,143,430	Land	100,962,545	21,180,885	122,143,430
864,987,924	865,491	865,853,415	Bldgs & Improvements	841,216,494	24,636,921	865,853,415
1,282,554,576	8,284,151	1,290,838,727	Equipment - Owned	1,221,173,920	69,664,807	1,290,838,727
24,835,136	259,738	25,094,874	Equipment - Capital Leases	17,836,661	7,258,213	25,094,874
8,835,741	-442,633	8,393,108	Construction in Progress	23,954,778	-15,561,670	8,393,108
2,303,353,138	8,970,416	2,312,323,554	Gross PP&E	2,205,144,398	107,179,156	2,312,323,554
-1,372,224,497	-7,147,921	-1,379,372,418	Less Accumulated Depreciation	-1,295,961,156	-83,411,262	-1,379,372,418
931,128,641	1,822,495	932,951,136	Net PP&E	909,183,242	23,767,894	932,951,136
			OTHER ASSETS			
1,427,010	-8,766	1,418,244	Investments	1,414,506	3,738	1,418,244
20,700	0	20,700	Notes Receivable	21,250	-550	20,700
169,663,158	-1,902	169,661,256	Intangible Assets - Net	169,672,171	-10,915	169,661,256
443,769,477	-307,840	443,461,637	Investments in Subsidiaries	452,144,634	-8,682,997	443,461,637
182,708	82,257	264,965	Other Assets	264,235	730	264,965
615,063,053	-236,251	614,826,802	Total Other Assets	623,516,796	-8,689,994	614,826,802
1,954,310,199	738,225	1,955,048,424	Grand Total Assets	1,916,934,350	38,114,074	1,955,048,424
			CURRENT LIABILITIES			
70,380,719	-9,671,734	60,708,985	Accounts Payable	71,429,098	-10,719,714	60,709,384
66,684,536	5,874,680	72,559,216	Accrued Salaries	70,710,949	1,848,267	72,559,216
18,792,726	-1,050,547	17,742,179	Accrued Expenses	17,744,106	-1,927	17,742,179
14,169	-202	13,967	Accrued Interest	16,271	-2,304	13,967
			Distributions Payable			
4,672,385	-4,634	4,667,751	Curr Port - Long Term Debt	4,110,987	556,764	4,667,751
3,216,125	6,950,107	10,166,232	Other Current Liabilities	12,953,552	-2,787,320	10,166,232
			Income Taxes Payable			
163,760,660	2,097,670	165,858,330	Total Current Liabilities	176,964,963	-11,106,234	165,858,729
			LONG TERM DEBT			
22,425,632	-200,903	22,224,729	Capitalized Leases	20,899,940	1,324,789	22,224,729
-538,062,335	-354,288,498	-892,350,833	Inter/Intra Company Debt	-496,779,209	-395,571,624	-892,350,833
26,090,661	-112,214	25,978,447	Other Long Term Debts	26,333,324	-354,877	25,978,447
-489,546,042	-354,601,615	-844,147,657	Total Long Term Debts	-449,545,945	-394,601,712	-844,147,657
			DEFFERED CREDITS AND OTHER LIAB			
			Professional Liab Risk			
			Deferred Incomes Taxes			
5,773,718	1,155,527	6,929,245	Long-Term Obligations	6,492,060	437,185	6,929,245
5,773,718	1,155,527	6,929,245	Total Other Liabilities & Def	6,492,060	437,185	6,929,245
			EQUITY			
33,250	0	33,250	Common Stock - par value	33,250	0	33,250
741,284,222	319,954,433	1,061,238,655	Capital in Excess of par value	753,317,052	307,921,603	1,061,238,655
1,317,315,954	-1,448,603	1,315,867,351	Retained Earnings - current yr	1,565,136,254	0	1,565,136,254
215,688,437	33,580,813	249,269,250	Net Income Current Year			
			Distributions			
			Other Equity			
2,274,321,863	352,086,643	2,626,408,506	Total Equity	2,183,023,272	443,384,835	2,626,408,107
1,954,310,199	738,225	1,955,048,424	Total Liabilities and Equity	1,916,934,350	38,114,074	1,955,048,424

It appears that the detail for Other Expenses is missing from the application. The template is provided on the HSDA website link to the application instructions. Please add this item to the application and mark as page 24-A.

On the original Projected Data Chart the "Other Expenses" were for repair and maintenance. However, the reviewer's inquiry brought it to the applicant's attention that these costs would be covered under the G.E. warranty for the first 18 months, and would be covered under the maintenance agreement for the last 6 months of Year 2. The annual maintenance agreement cost is $141,321. So the expense for Line D, 9 is $0 for Year 1 and $70,661 for Year 2.

A Revised Projected Data Chart is attached following this response.

REVISED PROJECTED DATA CHART

Give information for the two (2) years following completion of this proposal. The fiscal year begins in _1/1/15_____

		Year 1	Year 2
A.	Utilization/Occupancy Data (cases)	2107	2149
B.	Revenue from Services to Patients		
	1. Inpatient Services	$ 4,627,542	$ 4,720,093
	2. Outpatient Services	$ 5,418,660	$ 5,527,033
	3. Emergency Services		
	4. Other Operating Revenue (Specify) _____		
	Gross Operating Revenue	**$ 10,046,202**	**$ 10,247,126**
C.	Deductions from Operating Revenue		
	1. Contractual Adjustments	$ 7,882,180	$ 8,039,824
	2. Provisions for Charity Care	$ 47,468	$ 48,418
	3. Provisions for Bad Debt	$ 182,660	$ 186,313
	Total Deductions	**$ 8,112,308**	**$ 8,274,555**
NET OPERATING REVENUE		$ 1,933,894	$ 1,972,572
D.	Operating Expenses		
	1. Salaries and Wages	$ 129,866	$ 132,464
	2. Physicians' Salaries and Wages		
	3. Supplies	$ 4,051	$ 4,132
	4. Taxes	$ 9,798	$ 9,994
	5. Depreciation	$ 18,259	$ 18,259
	6. Rent		
	7. Interest, other than Capital		
	8. Management Fees:		
	a. Fees to Affiliates		
	b. Fees to Non-Affiliates		
	9. Other Expenses	$ -	$ 70,661
	Specify: _____		
	Total Operating Expenses	$ 161,975	$ 235,510
E.	Other Revenue (Expenses)--Net		
	Specify: _____		
NET OPERATING INCOME (LOSS)		$ 1,771,919	$ 1,737,062
F.	Capital Expenditures		
	1. Retirement of Principal		
	2. Interest		
	Total Capital Expenditures		
NET OPERATING INCOME (LOSS)		$ 1,771,919	$ 1,737,062
LESS CAPITAL EXPENDITURES			
NOI LESS CAPITAL EXPENDITURES		$ 1,771,919	$ 1,737,062

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PROJECTED DATA CHART-OTHER EXPENSES

OTHER EXPENSES CATEGORIES	Year____	Year___
1. Repair and Maintenance	$0	$70,661
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____
7.	_____	_____
Total Other Expenses	$_____	$_____

How many scans are included in the projected charity costs of the proposal?

Approximately 63 scans.

Based on review of the Projected Data Chart, it appears that the average gross inpatient charge is approximately $4,876 per MRI scan compared to a charge of $2,572 per outpatient MRI scan. What accounts for the difference? For example, are the professional fees for image interpretation by the radiologists excluded for outpatient MRI charges? Please explain.

The Projected Data Chart is for the new MRI only.

Of the 2,107 projected scans on the new MRI, 931 are projected to be inpatient (IP) and 1,176 are projected to be outpatient (OP). (See response to Question 9). Diving the gross IP revenue on the PDC by the projected number of IP scans, the average gross IP charge is $4,970. Diving the gross OP revenue on the PDC by the projected number of OP scans, the average gross OP charge is $4,607.

The actual charges for any given procedure are the same for IP and OP. The difference in the average gross charge of $363 per scan is due to the fact that IP scans have a relatively higher complexity mix.

Radiologists affiliated with Associates in Diagnostic Radiology (an independent physician group) provide radiological services for Parkridge Medical Center. They are not reimbursed by the hospital to provide radiological services.

If reimbursement of the fees is by arrangement between the hospital and the radiologist, please identify the projected expenses for same in Year 1 and Year 2 of the project.

N/A.

13. **Section C., Economic Feasibility, Item 11 a.**

The response is noted. While the goal to add newer MRI technology in the form of a 3.0T unit with higher resolution images is admirable, it is unclear why the applicant has not considered replacing the existing 1.5T unit with the proposed 3.0 T unit. Factors that seem reasonably relevant include (1) current utilization below the 2,880 MRI standard, (2) increasing inventory in the market and (3) risk of reaching projected utilization that is highly dependent on recapture of lost neuro and spine cases from other MRI providers. Please explain.

While there has been an increase in the MRI inventory in the market, the applicant believe the age and lower magnet strength of the current MRI equipment is the primary reason for lost volume.

As outlined a previous response, having 2 units in the facility will benefit both patient populations (outpatient and inpatient). By locating services on the ground floor of the facility, outpatients will have "storefront" access. For inpatient, the location of the existing unit on the second floor is often more convenient and accessible.

Since the current unit is already paid for, retaining it would not seem to create any problem, even if on paper the average utilization of each is lower than capacity under the Guidelines.

What other key benefits should residents and their attending physicians be aware of in selecting PMC's service in lieu of other MRI sites in the primary service area?

This MRI model offers Silent Scan Technology which improves the patient experience by reducing noise levels. Additionally, "feet first" entry will be used for all exams and will be beneficial for nervous or claustrophobic patients as well as those with large shoulders/chest area. Techniques used (CUBE and IDEAL) will reduce the number of scans thereby reducing total exam time. Additionally, PROPELLER, a motion insensitive technique, eliminates repeat scans due to motion again reducing total exam time.

Also, as referenced in the letter from Dr. Pearce (attached following the response to Question 6), patients will benefit from having the scan conducted at Parkridge because their images will be on the Parkridge computer system, and they will not have to get them on a CD disk and bring them to the physician.

14. **Section C., Contribution to Orderly Development, Item 1**

Your response is noted. Other than managed care organizations, please list health care providers or organizations the applicant has or plans to have contractual and/or working agreements with.

Parkridge Medical Center has transfer agreements with the following providers:

- Associates in Plastic and Reconstructive Surgery PC
- Center for Oral Surgery
- Chattanooga Pain Management Center LLC
- Diagnostic PET CT opf Chattanooga
- Digestive Disorders Endoscopy Center
- Erlanger Health System
- ETHICA Health and Retirement Communities
- Hamilton Medical Center
- HealthSouth of Chattanooga Rehabilitation Hospital
- Life Care Center of Hixson
- Parkridge Valley Mental Health Residential Treatment for Children and Youth
- Physicians Surgery Center of Chattanooga
- SkyRidge Medical Center
- Specialits in Pain Management
- Adventa Hospice
- Amedisys Hospice, an Adventa Company
- Chattanooga Surgery Center
- Coran Specialty Infusion Services
- Dialysis Clinic, DCI
- Hearth Hospice, LLC
- Hospice of Chattanooga
- Memorial Healthcare System
- Redmond Park Hospital,LLC
- State of Georgia, Department of Community Health
- State of Tennessee, Department of Children's Services

- Trinity Hospice Alexian

A list of additional contracts and working arrangements is attached following this response.

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Referral Source/Physician	Contract Number	Facility	Position/ Responsibility	Contract Type	Beginning Effective Date	Ending Effective Date
American Anesthesiology of Tennessee PC	PRKMC-69475	PHS	Exclusive Anesthesiology Services	PSA	11/19/13	11/30/16
Anesthesiology Consultants Exchange PC	Not in UPSIDE	GV	Anesthesia	PSA	10/1/13	9/30/16
Appareddy, Vijayalakshmi MD (HOLDOVER)	PRKMC-51956	PV	Global Fee Agreement	PSA	4/1/14	9/28/14
Ashcraft, Delmon E. MD	PKREH-75718	PEH	OB Hospitalist	PSA	3/17/14	3/31/16
Associated Pathologists, LLC	Not in UPSIDE	GV	Pathology Services / Medical Director	PSA	7/1/12	12/31/14
Associates in Diagnostic Radiology, P.C.	PRKMC-46906-01	PHS	Professional Imaging Services - Exclusive Agreement	PSA	2/1/12	1/31/15
Associates in Diagnostic Radiology, P.C. **Supplement 1**	PRKMC-56837-01	PMC	Calcium Scoring Screening (CPT Code 75571)	PSA	**01/03/13 signed 01/14/13**	12/31/14
Associates in Diagnostic Radiology, P.C. **Supplement 1**	PRKMC-70118-01	PMC	CT Lung Screening (CPT Code - 71250)	PSA	2/17/14	2/16/15
Brown, Thomas W. III, MD	PRKMC-64328	PHS	Emergency Dept. call coverage for Orthopedics	PSA	8/1/13	7/31/15
Carter, John Eric MD	PRKVH-62147	PV	Medical Director - RESPOND	PSA	2/1/13	1/31/15
Carter, John Eric MD	PRKVH-56254	PV	Medical History & Physicals, Medical Consults, On Call CON	PSA	9/1/12	8/31/14
Chandra, Channappa MD	PRKMC-72797	PHS	ED Ortho Call	PSA	1/6/14	12/31/16
Chattanooga Bone & Joint Surgeons, PC - **Supplement 3**	PRKMC-42710-02	PHS	Emergency Department Call Coverage Services - Specialty of Orthopedic Surgery	PSA	7/1/14	7/31/14
Chattanooga Diagnostic Associates, LLC	PRKMC-66179	PHS	Medical Director Cardiopulmonary and Critical Care	PSA	**7/8/2013 signed 7/23/13**	6/30/15
Chattanooga Diagnostic Associates, LLC	PRKMC-72932	PHS	Pulse Ox Readings (S. Jeong)	PSA	1/6/14	12/31/14

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Referral Source/Physician	Contract Number	Facility	Position/ Responsibility	Contract Type	Beginning Effective Date	Ending Effective Date
Chattanooga Diagnostic Associates, LLC d/b/a Diagnostic Associates	PRKMC-69442	PHS	Credential Committee Chair (Ryan)	PSA	1/1/14	12/31/14
Chattanooga Diagnostic Associates, LLC d/b/a Diagnostic Center	PRKMC-55473	PMC	Physician Advisor (Tapp)	PSA	12/24/12	12/31/15
Chattanooga Gastroenterology, PC	PKREH-77256	PEH	GI Call Coverage (Dr. Richard Sadowitz)	PSA	7/1/14	6/30/16
Chattanooga Orthopeadic Group, PC	PRKMC-71081	PHS	Emergency Department Call Coverage Services - Specialty of Orthopedic Surgery	PSA	12/25/13	12/31/15
Cincere, Brandon MD	PRKMC-72690	PHS	ED Ortho Call	PSA	1/6/2014 **(signed 1/9/14)**	12/31/15
Collins, Sabrina MD	PKREH-72627	PEH	OB Hospitalist	PSA	4/1/14	3/31/16
Consultants in Internal Medicine, LLC	PRKVH-72791	PV	History & Physicals, Medical Consults, Certificate of Need (On Call and Not on Call)	PSA	2/1/14	6/30/16
Diagnostic Cardiology Group	PRKMC-74577	PHS	EKG Interpretation/ Holter Monitor Read/Echo Read	PSA	2/20/14	2/29/16
Doty Consulting PA	PRKMC-74355	PHS	ED Ortho Call	PSA	2/13/14	12/31/16
Duff, Siobhan M.D.	PKREH-65359	PEH	Physician Advisor	PSA	8/1/13	7/31/15
Duke, Adam R MD **Supplement 2**	PKREH-56589-02	PEH	OB Hospitalist	PSA	12/11/12	9/30/14
Emberson, John W. M.D.	PKREH-55975	PEH	OB Hospitalist	PSA	12/1/12	11/30/14
Ferguson, Kevin R. M.D.	PRKVH-78528	PV	Medical Director for New Horizons	PSA	7/1/14	6/30/15
Ferguson, Kevin R. M.D. **(HOLDOVER)**	PRKVH-51980	PV	Global Fee Agreement	PSA	4/1/14	9/28/14
Focus Psychiatric Services, PC (Susan McGuire, MD) **(HOLDOVER)**	PRKVH-51982	PV	Global Fee Agreement	PSA	6/1/14	11/28/14
Focus Psychiatric Services, PC (Susan McGuire, MD)	PRKMC-74086	PV	Medical Director C&A/RTC Inpatient, Partial and IOP	PSA	3/1/14	2/29/16
Freeman, Mark G. MD	PRKMC-72694-01	PHS	ED Ortho Call	PSA	1/20/14	12/31/15
Gangavarapu, Sarath MD **(HOLDOVER)**	Not in UPSIDE	GV	Medical Director	PSA	6/1/14	11/28/14
Golder, Stephen, MD	PRKMC-65873	PMC	Medical Director Sarah Cannon Cancer Center	PSA	**9/1/2013 signed 9/5/13**	8/31/15
Gracy, John A MD	PRKMC-65869	PHS	ED Call Coverage	PSA	9/1/13	8/31/15

Referral Source/Physician	Contract Number	Facility	Position/ Responsibility	Contract Type	Beginning Effective Date	Ending Effective Date
Gregory, Oliver M.D.	PRKVH-50922	PV	Medical Director New Reflections, New Path, IOP/PHP and Daystar	PSA	3/29/12	12/31/14
Gregory, Oliver M.D. **(HOLDOVER)**	PRKVH-51983	PV	Global Fee Agreement	PSA	4/1/14	9/28/14
Harnsberger, D. Scott M.D.	PKREH-71084	PEH	OB Hospitalist	PSA	3/1/14	2/28/16
Harnsberger, D. Scott M.D. **Supplement 2**	PKREH-55925-02	PEH	Medical Director OB	PSA	**12/11/12 signed 05/03/2013**	11/30/14
HCA-EmCare Holdings, LLC **(Division Contract)**		PHS	Emergency / Hospitalist Coverage	PSA	12/1/13	12/31/16
Hill, Hal M.D.	PRKMC-69118	PHS	Medical Director Infection Control	PSA	1/1/14	12/31/16
Hina, Holly MD	PKREH-64621	PEH	OB Hospitalist - Employment Agreement	EA	5/1/13	4/30/15
Internal Medicine Associates of Chattanooga, PLLC (Dr. Naveed Memon) **(HOLDOVER)**	PRKVH-54401	PV	Medical History and Physical, Medical Consults, and On Call CON	PSA	**7/1/14**	12/28/14
Jennings, Mark M.D. **(HOLDOVER)**	PRKVH-51984	PV	Global Fee Agreement	PSA	4/1/14	9/28/14
Lanade, Raphael M.D., PLLC	PRKVH-72151	PV	H&P / Medical Consults / CON Evals / On Call	PSA	1/1/14	6/30/16
Lanham, Gary R. MD	PRKMC-60708	PHS	Chief of Staff	PSA	1/1/13	12/31/14
Lawson, Tamunosaki (T'Saki), M.D.	PRKMC-74681	PHS	Medical Director Geriatric Inpatient Program	PSA	3/1/14	2/28/15
Mauroner, Richard M.D.	PRKVH-76890	PV	Medical Director CIOP / VIOP	PSA	6/1/2014 (Signed 6/18/14)	5/31/16
Mauroner, Richard M.D. **(HOLDOVER)**	PRKVH-51985	PV	Global Fee Agreement	PSA	4/1/14	9/28/14
MD Total Care, LLC	PKREH-60009	PEH	Pulmonology Call Coverage	PSA	12/11/12	12/10/14
Midsouth Surgical Associates, PLLC d/b/a Alliance of Cardiac Thoracic and Vascular (ACTV) **(HOLDOVER)**	Not in UPSIDE	PHS	Data Collection Service Agreement	Data Collection Service Agreement	7/1/13	6/30/14
Munir, Muhammad A MD	PRKMC-71126	PMC	Medical Director - Acute Rehab	PSA	11/18/13	11/17/15
Operative Monitoring of Southeast Tennessee		PMC	Intra-operative Monitoring, Monitor sensory evoked potential during surgical procedures	PSA	11/26/12	11/30/14

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Orthopedic Associates PC d/b/a University Orthopedics	PRKMC-52972	PHS	Emergency Depart Call Coverage - Specialty of Orthopedic Surgery	PSA	5/23/12	5/31/14
Orthopedic Associates PC d/b/a University Orthopedics **(HOLDOVER)**	PRKMC-52972	PHS	Emergency Depart Call Coverage - Specialty of Orthopedic Surgery	PSA	6/1/14	11/28/14
Page, Cari Beth MD	Not in UPSIDE	GV	Hospital Coverage	PSA	11/23/12	11/22/14
Paik, Henry K. M.D.	PKREH-52485	PEH	GI Call Coverage	PSA	7/1/12	6/30/14
Paik, Henry K. M.D.	PKREH-76481	PEH	GI Call Coverage	PSA	7/1/14	6/30/16
Phelps, John Y. III, M.D.	PKREH-70111-01	PEH	OB Hospitalist	PSA	12/1/13	11/30/15
Philippose, Jay M M.D.	PKREH-56892	PEH	GI Call Coverage	PSA	1/15/13	1/31/15
Pittman, Kenneth G. MD	PRKVH-53931	PV	Medical History and Physical, Medical Consults, and On Call CON	PSA	**6/11/12 Signed 06/15/12**	6/30/14
Pittman, Kenneth G. MD **(HOLDOVER)**	PRKVH-52049	PV	Global Fee Agreement	PSA	4/1/14	9/28/14
Plaza Radiology, LLC d/b/a Chattanooga Imaging	Not in UPSIDE	PMC	MRI Services	PSA	1/19/12	1/18/15
Plaza Radiology, LLC d/b/a Chattanooga Imaging	Not in UPSIDE	PMC	PET/CT Services to Interpret	PSA	7/1/12	6/30/15
Plaza Urology Group, PC **Supplement 1**	PRKMC-77702	PHS	Market - Urology Call Coverage	PSA	5/14/2014 (signed 5/30)	5/31/16
Regional Obstetrical Consultants, P.C. - **Supplement 1**	PKREH-69846-01	PEH	Medical Director / Perinatologist Coverage (call)	PSA	1/1/14	11/14/15
Regional Obstetrical Consultants, P.C. **Supplement 3**	PKREH-45805-03	PEH	Exclusive Provider - NNP	PSA	11/20/12	11/14/15
Regional Obstetrical Consultants, PC - **Supplement 1**	PKREH-69848-01	PEH	New Born Hearing Screening	PSA	1/1/14	11/14/15
Richards, Theodore, M.D.	PRKMC-60507	PHS	Medical Director Cardiac Services	PSA	1/1/13	12/31/14
Roberts, Matthew DO	PKREH-72285	PEH	OB Hospitalist	PSA	12/23/13	12/31/14
Rowland, Jack M. M.D. **Supplement 1**	PKREH-55973-01	PEH	OB Hospitalist	PSA	12/11/12	11/30/14
Scenic City Orthopaedics & Sports Medicine, PLLC **(HOLDOVER)**	PRKMC-49412	PHS	Emergency Dept. call coverage for Orthopedics	PSA	5/1/14	10/28/14
Simms, Cassandra Goins M.D. **(HOLDOVER)**	PRKVH-51986	PV	Global Fee Agreement	PSA	4/1/14	9/28/14
Sledge, Walter MD	Not in UPSIDE	GV	PSA - Stress Test / Treadmill Testing	PSA	12/1/12	11/30/14
Smith, Chadwick Aaron MD	CPKMC-77901	PHS	ED Call Coverage - Orthopedic	PSA	7/1/14	6/30/15

Referral Source/Physician	Contract Number	Facility	Position/ Responsibility	Contract Type	Beginning Effective Date	Ending Effective Date
Smith, Terry M.D.	PRKVH-71940	PV	H&P/Medical Consults and Patient Evaluations / On Call	PSA	1/1/14	6/30/16
Sommer, Camille Anne	PKREH-77908	PEH	GI Call Coverage	PSA	6/1/14	5/31/16
Southeast Stone Center, LLC	PRKMC-46389	PMC	Lithotripsy Services	Rental Agreement	1/1/12	12/31/14
Southern Pathology Associates PC	PRKMC-71155	PMC	Exclusive Provider / Pathology Services / Autopsy / Technical Comp.	PSA	12/16/13	12/31/15
Southern Pathology Associates PC **(Supplement 1)**	PRKMC-71155	PMC	Exclusive Provider / Pathology Services / Autopsy / Technical Comp.	PSA	6/15/14	12/31/15
Spitalny, Neil H., M.D.	PRKMC-64332	PHS	ED Depart Call Coverage Services - Specialty of Orthopedic Surgery	PSA	8/1/13	7/31/15
TENN-GA II Stone Group	Not in UPSIDE	GV	Lithotripsy	PSA	3/27/07	Auto Renewal
TENN-GA Stone Group Two	Not in UPSIDE	GV	Urology - Revolix Agreement	PSA	5/15/09	Auto Renewal
Turner, Sharlinda B. M.D.	PRKVH-72463	PV	H&P/Medical Consult Physician for Adults, Child and Adolescents	EA	2/1/14	1/31/15
University Surgical Associates, PC	PRKMC-60002	PHS	Emergency Call Coverage and Surgicalist Services	PSA	12/24/12	12/15/14
University Surgical Associates, PC - Shauna Lorenzo - Rivero MD	PRKMC-55564	PMC	Medical Director Pelvic Floor Center	PSA	**12/17/12 signed 12/27/12**	11/30/14
University Surgical Associates, PC - Todd Cockerham, MD	PRKMC-72808	PHS	Medical Director of Surgical Services	PSA	2/14/14	2/26/16
UT Le Bonheur Pediatric Specialists, Inc.	Not in UPSIDE	PEH	Read and/or provide interpretations of Pediatric Transthoracic Echocardiograms	PSA	4/2/13	4/1/15
Valley Imaging Partners, PC	Not in UPSIDE	GV	Radiology Coverage	PSA	5/21/08	6/30/16
Vaughn Orthopedic and Spine Center	PRKMC-55448	PHS	ED Depart Call Coverage Services - Specialty of Orthopedic Surgery	PSA	10/10/12	10/9/14
Virani, Subash P MD	PRKVH-72127	PV	H&P / Medical Consults / CON Evals / On Call	PSA	1/1/14	6/30/16
Viscomi, Vincent MD PC	PRKMC-65147	PMC	Professional Reading / Interpretation of Pulse Oximetry	PSA	6/1/13	5/31/15

Referral Source/Physician	Contract Number	Facility	Position/ Responsibility	Contract Type	Beginning Effective Date	Ending Effective Date
Viscomi, Vincent MD PC	PRKMC-71801	PMC	Reviewing charts and orders to determine medical appropriateness	PSA	1/1/14	12/31/16

15. Section C., Contribution to Orderly Development, Item 3 and Item 4

Item 3
Salaries & Wages are projected at $129,800 in Year 1. Based on the staffing provided, this may equate to a base salary of approximately $33,800 per FTE before benefits. Please compare to the prevailing wage patterns in the PSA from documented sources.

As stated in the application, the current and initial staffing is 2 FTE and 1 PRN Technologists. Since the PRN wage is variable, those wages were not included. The $129,866 in salaries for the 2 positions equates to $64,933 annually per position.

The median salary for this position as reflected on the Department of Labor and Workforce Development's Occupational Wages website is $62,160.

If approved, the hospital's new MRI unit may result in a 50% or higher increase in the service's utilization in Year 1. That level of volume would appear to impact staff workloads. Please explain the rationale for not anticipating additional staffing.

The same staffing was in place before the decline in MRI volume. In 2012 the volume was roughly 2,500 scans, and the staff was not stress or used to maximum capacity. Since the decline in volume, no staff has been laid off, they have just either had less hours working or have just not been as busy. So the existing staff should be able to handle the increased case load. As stated in the application, if caseloads get too great, PRN staffing would probably be used, at least initially.

Item 4
With respect to professional staff, please discuss the clinical leadership of the hospital's Radiology with MRI service and provide a CV of the medical director, if applicable. How many and what types of subspecialty physicians participate in the delivery of imaging services to PMC's patients and/or development of new clinical knowledge?

The MRI Department is staffed by radiologists associated with Associates in Diagnostic Radiology. The Medical Director is Thomas M. Carr, M.D. A copy of Dr. Carr's C.V. is attached following this response.

Thomas M. Carr, III, MD (Trey)

Home
1624 Concord Drive
Charlottesville, VA
22901
H: 434-295-5640
C: 434-981-3098
Email: tmc6w@virginia.edu

Work
Charlottesville Radiology, Ltd
1490 Pantops Mountain Place
Suite 100
Charlottesville, VA 22911
Ph: 434-244-4580
Fax: 434-244-4579

MEDICAL TRAINING

Breast Imaging Fellowship, University of Virginia, *Charlottesville, VA*
Fellowship in Breast Imaging & Procedures, July 2010-January 2011

Interventional Radiology Fellowship, University of Virginia, *Charlottesville, VA*
Fellowship in Angiography/Interventional Radiology, July 2009- June 2010

Diagnostic Radiology Residency, University of Virginia, *Charlottesville, VA*
Diagnostic Radiology Residency, July 2005- June 2009
Chief Resident, April 2007- April 2008

Internship in Internal Medicine, University of Virginia, *Charlottesville, VA*
Internship with rotations in Acute Cardiology, General Medicine, Hematology and Oncology, Medical Intensive Care Unit, General Medicine Consults, Neurology, Gastroenterology, and Emergency Medicine, June 2004-June 2005

EDUCATION

University of Virginia, August 2008-June 2009
GME Office, P.O. Box 800136, Charlottesville, VA 22908
Graduate Certificate in Health Policy, June 2009

University of Tennessee College of Medicine, August 2000-May 2004
910 Madison Avenue, Memphis, TN 38163
Doctor of Medicine, May 2004
High Honors graduate

Washington and Lee University, September 1995-June 1999
204 W. Washington Street, Lexington, VA 24450
Bachelor of Arts in Natural Sciences and Mathematics, 1999
Cum Laude graduate

LICENSURE & CERTIFICATION

United States Medical Licensing Examinations: Passed Steps 1, 2 and 3

Virginia Medical License # 0101238928, Expires 02/28/2012

Diplomate of the American Board of Radiology, June 2009

15

PROFESSIONAL ACTIVITIES & COMMITTEES

2010-Present:	Reviewer *American Journal of Neuroradiology* *Journal of the American College of Radiology* *Journal of Digital Imaging*
2008-2011:	Resident & Fellow Representative, Editorial Board *The Journal of the American College of Radiology*
2008-2010:	Section Editor for Online Clinical Quizzes *Applied Radiology*
2007-2009:	Representative to the Resident & Fellow Section ACR Annual Meeting and Chapter Leadership Conference
2007-2009:	Education Committee Department of Radiology, University of Virginia Health System
2007-2008:	Administrative Chief Resident Department of Radiology, University of Virginia Health System
2007-2008:	J.T. Rutherford Government Relations Fellowship American College of Radiology
2007-2008:	Steering Committee American Alliance of Academic Chief Residents in Radiology (A^3CR^2)
2007-2008:	A^3CR^2 Representative American College of Radiology Intersociety Committee
2007-2008:	Emerging Technologies Subcommittee Society of Interventional Radiology
2007-2008:	President, Resident and Fellows Section Virginia Chapter of the American College of Radiology
2007:	Radiology Residency Review & Call Restructuring Committee Department of Radiology, University of Virginia Health System
2007:	Residency Program Coordinator Search Committee Department of Radiology, University of Virginia Health System
2000-2004:	Honor Council, Class Representative University of Tennessee College of Medicine

HONORS & AWARDS

Resident Award for Excellence in Clinical Service, 2008-2009
Diagnostic Radiology Residency Program
Department of Radiology, University of Virginia

Magna Cum Laude -- "Beyond Galactography: Conventional MR Imaging and Emerging MR Imaging Techniques for Evaluating Intraductal Lesions of the Breast"
RSNA Scientific Assembly and Annual Meeting, 2008

Resident Award for Excellence in Clinical Service, 2007-2008
Diagnostic Radiology Residency Program
Department of Radiology, University of Virginia

Chief Resident Service Award, 2007-2008
Department of Radiology, University of Virginia

Cum Laude -- "Spectrum of Cervical Spine MRI Findings in Trauma Patients with Negative Cervical Spine CT Examinations"
RSNA Scientific Assembly and Annual Meeting, 2007

Excellence in Design -- "Spectrum of Cervical Spine MRI Findings in Trauma Patients with Negative Cervical Spine CT Examinations"
RSNA Scientific Assembly and Annual Meeting, 2007

J.T. Rutherford Government Relations Fellowship, 2007
American College of Radiology

Resident-in-Training Scholarship recipient, 2007
Society of Interventional Radiology

Nominee for the Holt Young Physician Leadership Award, 2007
Southern Medical Association

High Honors Graduate, 2004
University of Tennessee College of Medicine

Alpha Omega Alpha Medical Honor Society Senior Inductee, 2003
University of Tennessee College of Medicine

IMHOTEP Leadership Honor Society, 2003
Univ. of Tennessee College of Medicine

Cum Laude Graduate, 1999
Washington and Lee University

Mid-South Alumni Association Honor Scholarship, 1995-1999
Washington and Lee University

RESEARCH, PUBLICATIONS & PRESENTATIONS

Scientific Research & Presentations

Bernhard MA, Carr TM, Gillis JE, Sabri SS, Angle JF. Large Volume versus Conventional Cone Beam Computed Tomography (CBCT) in Regional Embolization Therapy of Hepatic Neoplasms." Scientific poster presentation at the 3rd Annual International Liver Cancer Association Meeting, 2010.

Choudhri AF, Carr TM, Ho CP, Stone JR, Gay SB, Lambert DL. "Handheld Device Review of Abdominal CT for the Evaluation of Acute Appendicitis." Scientific paper presented at the 95th Scientific Assembly and Annual Meeting of the RSNA, 2009.

Choudhri, AF, Norton PT, Carr TM, Stone JR, Hagspiel KD, Dake MD. "Diagnosis and Treatment Planning of Acute Aortic Emergencies Using a Handheld DICOM Viewer." Scientific paper presented at the 95th Scientific Assembly and Annual Meeting of the RSNA, 2009.

Carr TM, Choudhri AF, Ho CP, Gay SB, Nicholson BT. "The Impact of a Negative Reinforcement Program on Resident Attendance at Educational Conferences." Scientific poster presentation at the 57th Annual Meeting of the Society of University Radiologists, May 2009.

Choudhri AF, Stay RM, Carr TM, Ho CP, Gay SB. "Implementation of a research mentoring program and its impact on resident research participation." Oral Scientific Presentation at the 57th Annual Meeting of the Society of University Radiologists, May 2009.

Choudhri AF, Scheel J, Stay RM, Carr TM, Ho CP, Nicholson BT. "Factors influencing radiology resident research involvement." Oral scientific presentation at the 57th Annual Meeting of the Society of University Radiologists, May 2009.

Carr TM, Choudhri AF, Ho CP, Stay RM, Bassignani MJ. "Validation study of a MDCT imaging protocol utilizing revised attenuation criteria to distinguish benign and malignant lesions." Department of Radiology, University of Virginia Health Systems. Scientific poster presentation at the Annual Meeting of the Society of Uroradiology, March 2009.

Ho CP, Carr TM, Stay RM, Choudhri A, Sarti M. "Right Lower Quadrant Pain in the Pregnant Patient: Is MRI Appropriate?" Department of Radiology, University of Virginia Health Systems. Scientific poster presentation at the Annual Meeting of the Society of Gastrointestinal Radiology, March 2009.

Carr TM, Angle JF. "Covered versus Noncovered Balloon-Expandable Stent Placement for the Treatment of Iliac Artery Disease." Department of Radiology, University of Virginia Health Systems. Electronic scientific presentation at the 94th Scientific Assembly and Annual Meeting of the RSNA, 2008.

Whitehead MT, Carr TM, Stay RM, Lee BB, DeAngelis GA, "Spinal Reconstructions Acquired from Trauma CT Scans of the Body: A Wasted Resource?" Department of Radiology, University of Virginia Health Systems. Electronic scientific presentation at the 94th Scientific Assembly and Annual Meeting of the RSNA, 2008.

Ho CP, Carr TM, Stay RM, Choudhri A, Lambert DL. "CT enterography versus fluoroscopic small bowel follow-through in inflammatory bowel disease: Is CT enterography up to the task?" Department of Radiology, University of Virginia Health Systems. Scientific poster presentation at the Annual Meeting of the Society of Gastrointestinal Radiology, March 2009.

Carr TM, Norton PT, Angle JF, Hagspiel KD. "Catheter-Directed Dosimetry as an Adjunct to SIRT." Department of Radiology, University of Virginia Health Systems. Oral scientific presentation at the Society of Interventional Radiology 33rd Annual Meeting, March 2008.

Carr TM, Norton PT, Angle JF, Hagspiel KD. "Catheter-Directed Volumetry as an Adjunct to SIRT." Department of Radiology, University of Virginia Health Systems. Scientific poster presentation at the International Liver Cancer Association Annual Meeting, October 2007.

Publications

Carr TM, Sabri SS, Turba UC, et al. "Stenting for Atherosclerotic Renal Artery Stenosis." *Techniques in Vascular & Interventional Radiology* 2010.

Choudhri AF, Carr TM, Ho CP, Stone JR, Gay SB, Lambert DL. "Handheld Device Review of Abdominal CT for the Evaluation of Acute Appendicitis." *Journal of Digital Imaging*. Status: Accepted for publication.

Choudhri, AF, Norton PT, Carr TM, Stone JR, Hagspiel KD, Dake MD. "Diagnosis and Treatment Planning of Acute Aortic Emergencies Using a Handheld DICOM Viewer." *J Vasc Intervent Radiol*. Status: In Review.

Choudhri AF, Carr TM, "Who's Trawling Our Waters?" *J Am Coll Radiol* 2008; 5: 528-539.

Naples C, Carr TM, Hagspiel KD. "Vascular Imaging", *Radiology Recall, 2nd ed.* Lippincott, Williams & Wilkins, Philadelphia, 2007.

Other Presentations and Posters

Carr TM, Ho CP, Sizemore AW, Gay SB, Nicholson BT. "A PACS-based Teaching File Based upon the AMSER Curriculum: Making Sure Medical Students Don't Miss Out on Education about Emergent, 'Don't Miss' Radiographic Findings." Educational poster presentation at the 57th Annual Meeting of the Society of University Radiologists, May 2009.

Choudhri AF, Marler JD, Stay RM, Carr TM, Moorman ME, Sarti M. "Making the Grade: How to Assign a DePriest Score to Assess Malignant Potential of Cystic Ovarian Masses." Department of Radiology, University of Virginia Health Systems. Educational Exhibit presented at the 93rd Scientific Assembly and Annual Meeting of the RSNA, 2007.

Carr TM, Obembe OO, Nicholson BT, Cohen MA, Harvey JA. "Beyond Galactography: Conventional MR Imaging and Emerging MR Imaging Techniques for Evaluating Intraductal Lesions of the Breast." Department of Radiology, University of Virginia Health Systems. Educational Exhibit presented at the 94th Scientific Assembly and Annual Meeting of the RSNA, 2008
-- *Magna Cum Laude Award*

Ho CP, Lambert DL, Stay RM, Carr TM, Kaliney RW. "You Swallowed What? Review of Imaging Findings and Therapeutic Management of Esophageal Foreign Bodies." Department of Radiology, University of Virginia Health Systems. Educational Exhibit presented at the 94th Scientific Assembly and Annual Meeting of the RSNA, 2008.

Carr TM, Matsumoto AH. "Pre-Operative Uterine Artery Embolization for Hemorrhage Control in Massive Uterine Fibroids: Experience in Three Cases." Department of Radiology, University of Virginia Health Systems. Electronic poster presentation at the Annual Meeting of the Cardiovascular and Interventional Radiology Society of Europe (CIRSE), September 2008.

Carr TM, Gay SB, Dake MD. "Creating Future Leaders: A Unique Elective Experience for Radiology Residents," Department of Radiology, University of Virginia Health Systems. Poster presentation at the 56th Annual Meeting of the Association of University Radiologists, March 2008.

Carr TM, Choudhri AF. "Currarino Syndrome." Department of Radiology, University of Virginia Health Systems. Oral case presentation at the American Alliance of Academic Chief Residents in Radiology (A^3CR^2) Film Panel, 56th Annual Meeting of the Association of University Radiologists, March 2008.

Carr TM, Skelton BW, Gaskin CM. "Spectrum of Cervical Spine MRI Findings in Trauma Patients with Negative Cervical Spine CT Examinations." Department of Radiology, University of Virginia Health Systems. Electronic presentation at the 93rd Scientific Assembly and Annual Meeting of the RSNA, 2007.
--Cum Laude Award
--Excellence in Design Award

Choudhri AF, Stay RM, Carr TM, Ho CP, Marler JD, Keats TE. "It's Not Broken: Distinguishing Normal Variants from Pathology in Cervical Spine Radiographs." Department of Radiology, University of Virginia Health Systems. Educational Exhibit presented at the 93rd Scientific Assembly and Annual Meeting of the RSNA, 2007.

Carr, TM. "Medical Device Malfunction and Reporting." Department of Radiology, Quality Assurance Conference, September 2007.

Carr, TM. "On-Call Fluoroscopy." Department of Radiology, Quality Assurance Conference, January 2007.

Carr, TM. "Ultrasound Imaging of Ovarian Epithelial Neoplasms." Department of Radiology, Resident Conference Series, November 2006.

Carr, TM. "Emergency Chest and Abdominal Radiography." Department of Radiology, First Year Resident Lecture Series, September 2006.

Carr, TM. "Radiography of the Upper Extremity." Department of Radiology, School of Radiography Lecture Series, November 2005.

PROFESSIONAL SOCIETY MEMBERSHIPS

American College of Radiology

Virginia Chapter of the American College of Radiology

Radiological Society of North America

Society of Interventional Radiology

Society of Breast Imaging

Association of University Radiologists

American Alliance of Academic Chief Residents in Radiology

Southern Medical Association

Medical Society of Virginia

American Medical Association

VOLUNTEER ACTIVITIES

University of Tennessee College of Medicine Alumni Council, *Memphis, TN*
Volunteer representing alumni of the College of Medicine residing in the state of Virginia.

Trinity Presbyterian Church, *Charlottesville, VA*
Volunteer assisting in various church ministries, ranging from physical plant upkeep to labor assistance for church members.

Church Health Center, *Memphis, TN*
Volunteer for a clinic which provides no-cost healthcare to the uninsured in the Memphis, TN urban area.

Into The Streets Community Service Project, *Memphis, TN*
Volunteer for city-wide, weekend-long service project focusing on a variety of projects within underserved neighborhoods and communities in Memphis.

Emmanuel Episcopal Center, *Memphis, TN*
Built and started a library for community center serving underprivileged youth within an urban housing development.

Boy Scouts of America, *Memphis, TN*
Provided free yearly physicals for four years to for local Boy Scout troops wishing to attend summer camp.

St. Columba Episcopal Center, *Memphis, TN*
Worked to improve and maintain the grounds of this retreat center serving the Diocese of West Tennessee for the Episcopal Church.

REFERENCES

J. Fritz Angle, M.D.
Professor, Department of Radiology
Division of Interventional Radiology
University of Virginia Health Systems
P.O. Box 800170
Charlottesville, VA 22908
Phone: (434) 924-2992
Fax: (434) 982-0887

Michael D. Dake, M.D.
Professor, Department of Cardiothoracic Surgery
Stanford University School of Medicine
Falk Cardiovascular Research Center
300 Pasteur Drive
Stanford, CA 94305-5407
Phone: (650)725-6407
Fax: (650)725-3846

Spencer B. Gay, M.D.
Department of Radiology
Division of Thoracoabdominal Radiology
University of Virginia Health Systems
P.O. Box 800170
Charlottesville, VA 22908
Phone: (434) 924-9820
Fax: (434) 982-1618

Alan H. Matsumoto, M.D.
Professor & Chairman
Department of Radiology
University of Virginia Health Systems
P.O. Box 800170
Charlottesville, VA 22908
Phone: (434) 924-9279
Fax: (434) 243-2786

Additional references available upon request.

16. Progress Update

According to HSDA records, HCA has ownership in the following approved, but unimplemented Certificate of Need projects:

Summit Medical Center, CN1402-004A
Hendersonville Medical Center, CN1302-002A
Horizon Medical Center, CN1202-008A
Skyline Medical Center, CN1110-040A

Please provide a brief two-three sentence update regarding the progress made to date, and where the project stands in relationship to its projected schedule and estimated cost.

The requested summary is attached following this response.

Also attached following this response is the tear sheet form the Chattanooga Times Free Press, in which the Notice of Intent was published on August 10, 2014.

Tristar Project	Status
Summit Medical Center CN1402-004	Demoltion started this week; this project is expected to
Conversion of existing space to add 8 inpatient medical/surgical beds on the 7th floor of its facility increasing the hospital	complete by 12/1/14.
bed complement from 188 to 196 hospital beds.	
5/28/2014 7/1/2017 5 $1,812,402.00	
Hendersonville Medical Center CN1302-002	Project approved and funded, staging for the project to
Construct a new 4th floor of med/surg beds & initiate neonatal intensive care services in new 6-bed Level II-B neonatal nursery	being 10/14 with completion date set for Q316.
on the main campus. Bed complement 148 gen hosp beds (110-main campus & 38-satellite campus)--13 will relocate from sat to main.	
6/26/2013 8/1/2015 5 $32,255,000.00	
Skyline Medical Center (Madison Campus) CN1110-040	The expansion was completed and the 21 bes adolescent
Expansion of adolescent (ages 13 to 17) inpatient psychiatric bed unit by 11 beds, from 10 to 21 beds at its Madison campus by	unit was opened Q114.
reclassifying 11 med/surg beds of the Madison campus current bed complement.	
1/25/2012 3/1/2015 8 $2,412,504.00	
Dickson Horizon Medical Center Emergency Department CN1202-008	Ground breaking ceremony held 7/15/14. Construction
A satellite emergency department facility located at the Natchez Medical Park campus & will be connected to the Natchez	is set to begin soon with a completion target of 5/1/15.
Ambulatory Care Center which will be used by the ED for diagnostic tests. The ED will provide the same services as the hospital's ED.	
5/23/2012 7/1/2015 5 $7,475,395.00	

LEGAL NOTICES LEGAL NOTICES LEGAL NOTICES

PUBLICATION OF INTENT
TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

The following shall be published in the "Legal Notices" section of the newspaper in a space no smaller than two (2) columns by two (2) inches.

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NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Parkridge Medical Center, owned and managed by Parkridge Medical Center, Inc., intends to file an application for a Certificate of Need for the acquisition of a 3.0 Tesla Magnetic Resonance Imaging unit for installation and use on its main campus, located at 2333 McCallie Avenue, Chattanooga, Hamilton County, Tennessee. Parkridge Medical Center is licensed as a general acute care hospital by the Tennessee Board for Licensing Health Care Facilities. No additional beds or changes in services are involved in this project. The estimated project cost is not to exceed $3,000,000.00.

The anticipated date of filing the application is August 15, 2014.

The contact person for this project is Jerry W. Taylor, Attorney, who may be reached at: Stites and Harbison, PLLC, 401 Commerce Street, Suite 800, Nashville, Tennessee, 37219, 615-782-2228.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Health Services and Development Agency
Andrew Jackson Building, Ninth Floor
502 Deaderick Street | Nashville, TN 37243

Pursuant to T.C.A. § 68-11-1607(c)(1): (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

==========

HF0050 (Revised 05/03/04 – all forms prior to this date are obsolete) 37622150

LEGAL NOTICES LEGAL NOTICES LEGAL NOTICES

EPB reserves the right to reject any and/or all bids received, waive any and

FOUR LOTS FOR SALE

Everyone could work less

Morgan Housel
Motley Fool

Some of the most successful people in the world have advice for the rest of us: Chill out a little bit.

Mexican billionaire Carlos Slim — the second-richest man in the world — told the Financial Times last week that the typical work life of five-day, 40-hour weeks with a goal of retiring in your 60s doesn't work. Instead, he said, people should work 11-hour shifts, three days a week, and plan to work well into their 70s.

Two weeks ago, Google CEO Larry Page told a conference that "the idea that everyone needs to work frantically to meet people's needs is just not true." Most people, he said, could support themselves with less money and be happier with more time off. He said we need a coordinated way to adjust the workweek, perhaps with two part-time workers replacing one full-time worker. "Most people like working, but they'd also like to have

suggested, would take care of both problems. It would add more income to help avert the retirement shortfall you hear so much about. And since, in Slim's world, workers would have enjoyed four-day weekends for their entire careers, working in retirement wouldn't cut into the amount of free time you get over your lifetime. You would actually have more free time when you're young, able-bodied, have kids and can travel. Some jobs wouldn't allow working into your 70s, of course. But most could. According to the Center for Economic and Policy Research, two-thirds of 58-year-olds are in non-physically demanding jobs.

The second issue is maximizing productivity

And if I'm closed down at 6 p.m., I'm sending her home just as she's hitting her stride. Her biorhythms may dictate that her best hours are from 6 to 8. Someone else may be alert and prolific after a 29-minute catnap in the afternoon. If I insist on standard work hours, I may be sacrificing a certain amount of employee potential every day. By encouraging uniformity, I lose productivity. By changing the rules, we remove the obstacles that throw people's lives out of whack. When we tell people they're free to work closer to their homes, to come to the office only when they need to, to work odd

SUPPLEMENTAL- # 1
August 28, 2014
2:40pm

AFFIDAVIT

STATE OF TENNESSEE)
)
COUNTY OF HAMILTON)

I, JIM COLEMAN, JR., after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Jim Coleman
Name

Sworn to and subscribed before me this the 26th day of August 2014, a Notary Public in and for Hamilton County, Tennessee.

Angela B. Chapman
Notary Public

My Commission Expires: 4-20-16.

ANGELA B. CHAPMAN
STATE OF TENNESSEE NOTARY PUBLIC
HAMILTON COUNTY

State of Tennessee
Health Services and Development Agency
Andrew Jackson Building, 9th Floor
www.tn.gov/hsda Phone: 615-741-2364/Fax: 615-741-9884

August 25, 2014

Jerry Taylor, Attorney
Stites & Harbison, PLLC
401 Commerce Street, Suite 800
Nashville, TN 37404

RE: Certificate of Need Application CN1408-035
Parkridge Medical Center – Acquisition of a 2nd MRI Unit for use at Main Hospital Campus

Dear Mr. Taylor,

This will acknowledge our August 15, 2014 receipt of your application for a Certificate of Need for the acquisition of a second Magnetic Resonance Imaging (MRI) unit for installation and use in 1,202 square feet of renovated space on the main campus of Parkridge Medical Center (PMC) campus at 2333 McCallie Avenue, Chattanooga (Hamilton County), TN. No new beds or changes in services are involved in the project.

Several items were found which need clarification or additional discussion. Please review the list of questions below and address them as indicated. The questions have been keyed to the application form for your convenience. I should emphasize that an application cannot be deemed complete and the review cycle begun until all questions have been answered and furnished to this office.

Please submit responses in triplicate by 1PM, Thursday, August 28, 2014. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

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1. **Section A, Applicant Profile, Item 4 (ownership)**

   In Section B, page 4 and related attachments of the application (organizational chart), the applicant states that the parent company is affiliated with HCA and a part of the Tri-Star Health System. It appears that the applicant has documented the owner's interest in any other health care institutions in Tennessee as defined in TCA €68-11-1602. It would be helpful to also include a list with the name, address, current status of licensure for each health care institution identified. Of these, please note the hospitals or ODCs, etc. that have existing MRI units (fixed units/mobile units). Please also identify any facilities with pending or outstanding Certificate of Need projects involving MRI services.

2. **Section B, Project Description, Item II.A**

   Please provide a general description of the existing space dedicated to the hospital's MRI unit (size, location, access by patients, floor, etc.). What attributes does the existing MRI unit have that account for the decision to dedicate it to use

by hospital inpatients? In your response, please also describe the proximity to the new 1,202 square foot area of space to be renovated if the project is approved.

Since use by outpatients accounted for approximately 1,150 of 2,060 MRI scans in 2013, how will the proposed new area for the 3.0 Tesla unit be an improvement or enhancement from the current MRI location?

3. **Section B, Project Description, Item II.C**

The need for the higher image resolution 3.0 Tesla unit to perform spine & neuro cases is noted.
Please provide an estimate of referrals by specialty to the applicant's MRI service during the first year of operation:

Specialty	# MRI Referrals
Family Practice	
Internal Medicine	
Pediatrics	
OB/GYN	
Orthopedics	
General Surg	
Radiology	
Neurology	
Neurosurgery	
Podiatry	
Oncology	
Cardiology	
Urology	
Other	
TOTAL	

4. **Section B, Project Description, Item II.E. 3**

It appears that the applicant intends to purchase the unit absent any indication the vendor quote or any equipment lease entries in the Project Cost Chart & Projected Data Chart. Please confirm.
Please be advised that the equipment quote expired on June 27, 2014. As such, an addendum or updated quote from the equipment vendor will be necessary such that the offer will be in effect on the date that the application will be heard by HSDA (November 2014 at earliest).

5. **Section B, Project Description, Item III and IV**

Item III (Plot Plan)
It would be helpful to have a map or the equivalent showing the major bus routes and traffic corridors relative to the applicant facility.

Item IV (Floor Plan)
Please include the existing MRI suite in the floor plan, showing its location relative to the 1,202 SF renovated area that will be used for the proposed 3.0T unit.

6. **Section C. Need Item 1. (Project Specific Criteria – MRI and State Health Plan)**

MRI Project Specific Criteria – The project involves the acquisition of major medical equipment at a cost of $2 million or more and will add additional MRI capacity/inventory to the 6-county primary service area. Accordingly, please provide responses to the criteria and standards for MRI. A copy of same is found in Exhibit I at the end of this questionnaire.

State Health Plan (Economic Efficiencies)
The applicant states that the existing 1.5 Tesla MRI unit is well utilized. With utilization averaging approximately 80% of the MRI standard for non-specialty units, please explain what is meant by well utilized. Additionally, how would 2 units at the projected MRI volumes in Year 1 meet future demand with utilization continuing below the MRI standard? Please clarify.

The applicant noted declining MRI utilization and loss of potential cases for spine and neuro cases in other parts of the application. Given an estimated loss of 1,403 scans to other providers during the most recent 12 month period, how does the addition of the proposed MRI contribute to this Principle based on the likelihood of an adverse impact to other providers? Please explain.

7. **Section C. Need, Item 3 (Service Area)**

The 86% admissions volume by residents of the applicant's 6-county primary service area (PSA) is noted.
Based on review of HSDA Equipment Registry records, it appears that Tennessee residents of the PSA accounted for approximately 40,607 MRI scans or 72% of 56,791 total MRI scans performed in 2013 by all MRI providers in the PSA (27 MRI units in use).
What was the use of Parkridge's MRI service by residents of the PSA in 2013? In your response, please show for each county in the PSA. For assistance, please contact Alecia Craighead, Stat III, HSDA. Please also see the attached worksheet with this e-mail to utilize in identifying the metrics requested.

8. **Section C, Need, Item 5**

As noted, HSDA requests that this information be provided with assistance from HSDA Equipment Registry data for the periods noted in the attachment. Please revise the Table in Attachment C Need, 5 by using MRI utilization for 2013 from the HSDA Equipment Registry and adding a column to show the percentage change by provider from 2011 to 2013 (*see suggested format in Table 1 below*). Please also complete Table 2 showing the use of MRI providers by residents of the 6-county PSA.

Table 1- MRI Provider Utilization, 2011-2013

Provider	Type	# MRI Units	County	Total MRI Scans 2011	Total MRI Scans 2012	Total MRI Scans 2013	% Change '11-'13
Parkridge	Hosp	1	Hamilton				

Table 2 – Use Trend by Residents of PSA, 2011-2013

Provider Name	County Location	PSA Residents Scans – 2011	PSA Resident Scans - 2012	PSA Resident Scans - 2013	% Change in use by PSA residents '11-'13	Total MRI Scans 2013	PSA use % of total MRI Scans 2013

A key point in the projections for the new 3.0 T unit relates to recapturing approximately 1,052 cases needing higher resolution imaging in Year 1 as described on page 10 of the application. Which providers currently have the higher imaging resolution MRI unit capacity in the PSA and what was their utilization for the most recent period? In your response, please include the name, address, type of provider, distance in miles and driving time between the hospital and these providers. *Note: as a suggestion, the applicant can simply highlight the providers in the preceding tables to identify their utilization.*

9. **Section C, Need, Item 6**

The methodology is noted. As the applicant is aware, the ideal MRI utilization standard is 2,880 scans per year (after 3rd year of acquisition). Review of the applicant's 2013 Joint Annual Report revealed 910 inpatient and 1,150 outpatient MRI scans for a total of 2,060 MRI scans in 2013. Please complete the following table to show a breakout of projected utilization with a comparison to the MRI standard.

MRI unit	**Inpatient Scans**	**Outpatient scans**	**Total**	**As a % of 2,880 MRI standard**
Existing 1.5T 2013	910	1,150	2,060	71.5%
Existing 1.5T Year 1				
New 3.0 T Year 1				

Please summarize the strategies being implemented by PMC other than the proposed addition of a new MRI unit that might help reach the treatment standard at some point within 3 years following project completion in October, 2016.

10. **Section C, Economic Feasibility Item 1 (Project Costs Chart)**

The following definition regarding major medical equipment cost in Tennessee Health Services and Development Agency Rule 0720-9-.01 (13)(b) states " The cost of major medical equipment includes all costs, expenditures, charges, fees, and assessments which are reasonably necessary to put the equipment into use for the purposes for which the equipment was intended. Such costs specifically include, but are not necessarily limited to the following: (1) maintenance

agreements, covering the expected useful life of the equipment; (2) federal, state, and local taxes and other government assessments and (3) installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding."

Of the items listed in the breakout of the medical equipment cost on page, please identify the amount for installation (item 3 above) such that the total identified in page 11, Section B ($2,391,180) is understood.

11. Section C, Economic Feasibility, Item 2 (Funding Sources)

The funding from cash reserves is noted. Review of the August 14, 2014 letter from the hospital CFO stated that funding will be provided from an allocation by HCA. However, review of the Balance Sheet for the hospital provided in the attachments revealed $87,165 available from cash & cash equivalents and no amount for marketable securities. Further, the hospital's Current Ratio appears to point to a potential problem with funding this project from cash reserves. Please clarify the source and amount(s) available to support the project. In your response, you may want to include a balance sheet from HCA since the parent company is named as the source of funding in lieu of the hospital.

12. Section C, Economic Feasibility, Item 4. (Projected Data Chart) and Item 5

Your responses are noted.

It appears that the detail for Other Expenses is missing from the application. The template is provided on the HSDA website link to the application instructions. Please add this item to the application and mark as page 24-A.

How many scans are included in the projected charity costs of the proposal?

Based on review of the Projected Data Chart, it appears that the average gross inpatient charge is approximately $4,876 per MRI scan compared to a charge of $2,572 per outpatient MRI scan. What accounts for the difference? For example, are the professional fees for image interpretation by the radiologists excluded for outpatient MRI charges? Please explain.

If reimbursement of the fees is by arrangement between the hospital and the radiologist, please identify the projected expenses for same in Year 1 and Year 2 of the project.

13. **Section C., Economic Feasibility, Item 11 a.**

The response is noted. While the goal to add newer MRI technology in the form of a 3.0T unit with higher resolution images is admirable, it is unclear why the applicant has not considered replacing the existing 1.5T unit with the proposed 3.0 T unit. Factors that seem reasonably relevant include (1) current utilization below the 2,880 MRI standard, (2) increasing inventory in the market and (3) risk of reaching projected utilization that is highly dependent on recapture of lost neuro and spine cases from other MRI providers. Please explain.

What other key benefits should residents and their attending physicians be aware of in selecting PMC's service in lieu of other MRI sites in the primary service area?

14. Section C., Contribution to Orderly Development, Item 1

Your response is noted. Other than managed care organizations, please list health care providers or organizations the applicant has or plans to have contractual and/or working agreements with.

15. Section C., Contribution to Orderly Development, Item 3 and Item 4

Item 3
Salaries & Wages are projected at $129,800 in Year 1. Based on the staffing provided, this may equate to a base salary of approximately $33,800 per FTE before benefits. Please compare to the prevailing wage patterns in the PSA from documented sources.
If approved, the hospital's new MRI unit may result in a 50% or higher increase in the service's utilization in Year 1. That level of volume would appear to impact staff workloads. Please explain the rationale for not anticipating additional staffing.

Item 4
With respect to professional staff, please discuss the clinical leadership of the hospital's Radiology with MRI service and provide a CV of the medical director, if applicable. How many and what types of subspecialty physicians participate in the delivery of imaging services to PMC's patients and/or development of new clinical knowledge?

16. Progress Update

According to HSDA records, HCA has ownership in the following approved, but unimplemented Certificate of Need projects:

Summit Medical Center, CN1402-004A
Hendersonville Medical Center, CN1302-002A
Horizon Medical Center, CN1202-008A
Skyline Medical Center, CN1110-040A

Please provide a brief two-three sentence update regarding the progress made to date, and where the project stands in relationship to its projected schedule and estimated cost.

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after written notification is given to the applicant by the agency staff that the application is deemed incomplete, the application shall be deemed void." **For this application the sixtieth (60th) day after written notification is October 22, 2014. If this application is not deemed complete by this date, the application will be deemed void.** Agency Rule 0720-10-.03(4) (d) (2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Re-submittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the

review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

If all supplemental information is not received and the application officially deemed complete prior to the beginning of the next review cycle, then consideration of the application could be delayed into a later review cycle. The review cycle for each application shall begin on the first day of the month after the application has been deemed complete by the staff of the Health Services and Development Agency.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. ∋ 68-11-1607(d):

(1) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.

(2) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have any questions or require additional information, please do not hesitate to contact this office.

Sincerely,

Jeff Grimm
Health Services Development Agency Examiner

Exhibit 1 – MRI Project Specific Criteria; Section C, Need, Item 1

Magnetic Resonance Imaging
Standards and Criteria

1. Utilization Standards for non-Specialty MRI Units.
   a. An applicant proposing a new non-Specialty stationary MRI unit should project a minimum of at least 2160 MRI procedures in the first year of service, building to a minimum of 2520 procedures per year by the second year of service, and building to a minimum of 2800 procedures per year by the third year of service and for every year thereafter.

   b. Providers proposing a new non-Specialty mobile MRI unit should project a minimum of at least 360 mobile MRI procedures in the first year of service per day of operation per week, building to an annual minimum of 420 procedures per day of operation per week by the second year of service, and building to a minimum of 480 procedures per day of operation per week by the third year of service and for every year thereafter.

   c. An exception to the standard number of procedures may occur as new or improved technology and equipment or new diagnostic applications for MRI units are developed. An applicant must demonstrate that the proposed unit offers a unique and necessary technology for the provision of health care services in the Service Area.

   d. Mobile MRI units shall not be subject to the need standard in paragraph 1b if fewer than 150 days of service per year are provided at a given location. However, the applicant must demonstrate that existing services in the applicant's geographical area are not adequate and/or that there are special circumstances that require these additional services.

2. Access to MRI Units. All applicants for any proposed new MRI Unit should document that the proposed location is accessible to approximately 75% of the service area's population. Applications that include non-Tennessee counties in their proposed service areas should provide evidence of the number of existing MRI units that service the non-Tennessee counties and the impact on MRI unit

utilization in the non-Tennessee counties, including the specific location of those units located in the non-Tennessee counties, their utilization rates, and their capacity (if that data are available).

3. Economic Efficiencies. All applicants for any proposed new MRI Unit should document that alternate shared services and lower cost technology applications have been investigated and found less advantageous in terms of accessibility, availability, continuity, cost, and quality of care.

4. Need Standard for non-Specialty MRI Units.

   A need likely exists for one additional non-Specialty MRI unit in a Service Area when the combined average utilization of existing MRI service providers is at or above 80% of the total capacity of 3600 procedures, or 2880 procedures, during the most recent twelve-month period reflected in the provider medical equipment report maintained by the HSDA. The total capacity per MRI unit is based upon the following formula:

   Stationary MRI Units: 1.20 procedures per hour x twelve hours per day x 6 days per week x 50 weeks per year = 3,600 procedures per year

   Mobile MRI Units: Twelve (12) procedures per day x days per week in operation x 50 weeks per year. For each day of operation per week, the optimal efficiency is 480 procedures per year, or 80 percent of the total capacity of 600 procedures per year.

5. Need Standards for Specialty MRI Units.

   a. Dedicated fixed or mobile Breast MRI Unit. An applicant proposing to acquire a dedicated fixed or mobile breast MRI unit shall demonstrate that annual utilization of the proposed MRI unit in the third year of operation is projected to be at least 1,600 MRI procedures (.80 times the total capacity of 1 procedure per hour times 40 hours per week times 50 weeks per year), and that:

      1. It has an existing and ongoing working relationship with a breast-imaging radiologist or radiology proactive group that has experience interpreting breast images provided by mammography, ultrasound, and MRI unit equipment, and that is trained to interpret images produced by an MRI unit configured exclusively for mammographic studies;

      2. Its existing mammography equipment, breast ultrasound equipment, and the proposed dedicated breast MRI unit is in compliance with the federal Mammography Quality Standards Act;

3. It is part of an existing healthcare system that provides comprehensive cancer care, including radiation oncology, medical oncology, surgical oncology and an established breast cancer treatment program that is based in the proposed service area.

4. It has an existing relationship with an established collaborative team for the treatment of breast cancer that includes radiologists, pathologists, radiation oncologists, hematologist/oncologists, surgeons, obstetricians/gynecologists, and primary care providers.

b. Dedicated fixed or mobile Extremity MRI Unit. An applicant proposing to institute a Dedicated fixed or mobile Extremity MRI Unit shall provide documentation of the total capacity of the proposed MRI Unit based on the number of days of operation each week, the number of days to be operated each year, the number of hours to be operated each day, and the average number of MRI procedures the unit is capable of performing each hour. The applicant shall then demonstrate that annual utilization of the proposed MRI Unit in the third year of operation is reasonably projected to be at least 80 per cent of the total capacity.

c. Dedicated fixed or mobile Multi-position MRI Unit. An applicant proposing to institute a Dedicated fixed or mobile Multi-position MRI Unit shall provide documentation of the total capacity of the proposed MRI Unit based on the number of days of operation each week, the number of days to be operated each year, the number of hours to be operated each day, and the average number of MRI procedures the unit is capable of performing each hour. The applicant shall then demonstrate that annual utilization of the proposed MRI Unit in the third year of operation is reasonably projected to be at least 80 per cent of the total capacity.

6. Separate Inventories for Specialty MRI Units and non-Specialty MRI Units. Breast, Extremity, and Multi-position MRI Units shall not be counted in the inventory of non-Specialty fixed or mobile MRI Units, and an inventory for each category of Specialty MRI Unit shall be counted and maintained separately. None of the Specialty MRI Units may be replaced with non-Specialty MRI fixed or mobile MRI Units and a Certificate of Need granted for any of these Specialty MRI Units shall have included on its face a statement to that effect. A non-Specialty fixed or mobile MRI Unit for which a CON is granted for Specialty MRI Unit purpose use-only shall be counted in the specific Specialty MRI Unit inventory and shall also have stated on the face of its Certificate of Need that it may not be used for non-Specialty MRI purposes.

7. Patient Safety and Quality of Care. The applicant shall provide evidence that any proposed MRI Unit is safe and effective for its proposed use.

   a. The United States Food and Drug Administration (FDA) must certify the proposed MRI Unit for clinical use.

   b. The applicant should demonstrate that the proposed MRI Procedures will be offered in a physical environment that conforms to applicable federal standards, manufacturer's specifications, and licensing agencies' requirements.

   c. The applicant should demonstrate how emergencies within the MRI Unit facility will be managed in conformity with accepted medical practice.

   d. The applicant should establish protocols that assure that all MRI Procedures performed are medically necessary and will not unnecessarily duplicate other services.

   e. An applicant proposing to acquire any MRI Unit, including Dedicated Breast and Extremity MRI Units, shall demonstrate that:

   f. All applicants shall commit to obtain accreditation from the Joint Commission, the American College of Radiology, or a comparable accreditation authority for MRI within two years following operation of the proposed MRI Unit.

   g. All applicants should seek and document emergency transfer agreements with local area hospitals, as appropriate. An applicant's arrangements with its physician medical director must specify that said physician be an active member of the subject transfer agreement hospital medical staff.

8. The applicant should provide assurances that it will submit data in a timely fashion as requested by the HSDA to maintain the HSDA Equipment Registry.

9. In light of Rule 0720-11.01, which lists the factors concerning need on which an application may be evaluated, and Principle No. 2 in the State Health Plan, "Every citizen should have reasonable access to health care," the HSDA may decide to give special consideration to an applicant:

   a. Who is offering the service in a medically underserved area as designated by the United States Health Resources and Services Administration;

   b. Who is a "safety net hospital" or a "children's hospital" as defined by the Bureau of TennCare Essential Access Hospital payment program; or

c. Who provides a written commitment of intention to contract with at least one TennCare MCO and, if providing adult services, to participate in the Medicare program.

MRI Criteria effective 12/31/11-WordDoc/Working version